

WINSTON LAW GROUP, P.C.

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the Proposed Class, and the aggrieved employees

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

JOSE RODRIGUEZ, an individual, on behalf
of himself, others similarly situated,

PLAINTIFF,

v.

WORLD CLASS STAFFING SERVICES
LLC, a California Limited Liability Company,
STAR HR LLC, a Wyoming Limited Liability
Company and DOES 2 thru 50, inclusive,

DEFENDANTS.

Case No.: CIVSB2315859

[Assigned For All Purposes to the Hon.
Christian Towns, Dept. S26]

**DECLARATION OF DAVID S. WINSTON
IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
SETTLEMENT**

Date: September 9, 2025

Time: 8:30 am

Dept.: S26

Action Filed: July 12, 2023

FAC Filed: August 14, 2023

SAC Filed: December 1, 2023

Trial Date: None Set

1 **DECLARATION OF DAVID S. WINSTON**

2 I, **DAVID S. WINSTON**, declare as follows:

3 1. I am an attorney licensed to practice before all of the courts of the State of California. I
4 am the attorney of record for Plaintiff JOSE RODRIGUEZ in the above-entitled action. I have
5 personal knowledge of the facts set forth herein, and if called upon as a witness, I could and would
6 testify competently thereto.

7 2. I graduated from the University of California, Los Angeles School of Law in 2014 and
8 graduated *summa cum laude* with a B.A. in Political Science from Vanderbilt University. I am
9 admitted to practice before the following Courts: the United States District Court for the Central
10 District of California, the United States District Court for the Eastern District of California, the United
11 States District Court for the Southern District of California, the United States District Court for the
12 Northern District of California, the Ninth Circuit Court of Appeal, and all California State Courts. I
13 have been practicing law since 2014.

14 **THE EXPERIENCE AND VIEWS OF CLASS COUNSEL**

15 3. Prior to starting the Winston Law Group, P.C. in 2017, I regularly litigated class and
16 representative actions as an Associate at Kingsley & Kingsley and also represented employers in class,
17 representative, and individual actions.

18 4. I am experienced and qualified to evaluate the Class claims and viability of the defenses.
19 I have extensive experience in prosecuting employment litigation, and have focused my practice
20 primarily on cases regarding wage and hour class actions and representative PAGA actions.

21 5. Since founding Winston Law Group, P.C. I have also been appointed Class or PAGA
22 Counsel in numerous class action and PAGA cases including:

23 a. *Garner et al. vs. Erickson Framing CA LLC et al, Placer County Superior Court (Case*
24 *No. S-CV-0046287)*. This class action and PAGA settlement was approved by the Hon. Trisha
25 Hirashima on July 6, 2023 in the gross amount of \$6,300,000.

26 b. *Porras et al. vs. Chipotle Services, LLC, Stanislaus County Superior Court (Case No.*
27 *CV-19-000937)*. This PAGA settlement was approved by the Hon. Sonny S. Sadhu on June 16, 2020 in
28 the gross amount of \$4,900,000.

1 c. *Miller et al. vs. Mattress Firm, Inc., Santa Clara County Superior Court (Case No.*
2 *17CV313148)*. This PAGA settlement was approved by the Hon. Thomas E. Kunle on December 17,
3 2018 in the gross amount of \$3,750,000.

4 d. *Smart & Final Wage and Hour Cases, Sacramento County Superior Court (JCCP*
5 *Number 5089)*. This PAGA settlement was approved by the Hon. Richard K. Sueyoshi on July 9, 2021
6 in the gross amount of \$3,470,000.

7 e. *Zirpolo vs. UAG Stevens Creek, Inc. (Penske), Santa Clara County Superior Court*
8 *(Case No. 17CV313457)*. The matter was finally approved for settlement by the Honorable Brian C.
9 Walsh on July 10, 2018 in the gross amount of \$3,275,000.

10 f. *Espindola et al. vs. Panda Express, LLC et al., San Bernardino County Superior Court*
11 *(Case No. CIVDS1931455)*. This PAGA settlement was approved by the Hon. David Cohn on April 13,
12 2021 in the gross amount of \$3,125,000.

13 g. *Westbrook vs. Winco Holdings Inc. et al., Riverside County Superior Court (Case No.*
14 *RIC1710168)*. The matter was finally approved for settlement by the Hon. Raquel A. Marquez on
15 January 15, 2019 in the gross amount of \$3,000,000.

16 h. *Amster et al. vs. Starbucks Corporation, San Bernardino County Superior Court (Case*
17 *No. CIVDS1922016)*. This PAGA settlement was approved by the Hon. Donald Alvarez on July 14,
18 2020 in the gross amount of \$3,000,000.

19 i. *Chavez and Melendez vs. CAM-BAS, INC. et al., Santa Clara County Superior Court*
20 *(Case No. 20CV372311)*. The matter was finally approved on April 13, 2023 by the Hon. Theodore C.
21 Zayner in the gross amount of \$3,000,000.

22 j. *Antonov et al. vs. GL HHR, LLC (Ken Garff Automotive) et al., San Bernardino County*
23 *Superior Court (Case No. CIVDS1724725)*. The matter was finally approved for settlement by the Hon.
24 David Cohn on December 11, 2018 in the gross amount of \$2,850,000.

25 k. *De Cruz and Irias vs. Cardenas Markets LLC, Alameda County Superior Court (Case*
26 *No. 22CV005906)*. This PAGA settlement was approved by the Hon. Jenna Whitman on February 22,
27 2024 in the gross amount of \$2,500,000.

1 *l. Acevedo et al. vs. Deanco Healthcare, LLC, Los Angeles County Superior Court (Case*
2 *No. 21STCV34724).* The matter was finally approved for settlement by the Hon. William F. Highberger
3 on April 11, 2023 in the gross amount of \$2,350,000.

4 *m. Scoggins et al. vs. Crossmark, Inc. et al., Ventura County Superior Court (Case No. 56-*
5 *2017-00492936-CU-OE-VTA).* The matter was finally approved for settlement by the Hon. Matthew P
6 Guasco on January 23, 2020 in the gross amount of \$2,100,000.

7 *n. Smith et al. vs. Burlington Merchandising Corporation et al., San Bernardino County*
8 *Superior Court (Case No. CIVIDS1929684).* This PAGA settlement was approved by the Hon. David
9 Cohn on October 23, 2020 in the gross amount of \$2,000,000.

10 *o. Castaing et al. vs. Hendrick Automotive Group et al., Alameda County Superior Court*
11 *(Case No. RG17879115).* The matter was finally approved for settlement by the Hon. Brad Seligman on
12 June 24, 2019 in the gross amount of \$1,850,000.

13 *p. Romero Ramirez and Contreras vs. Yin Management, Inc., Sacramento County Superior*
14 *Court (Case No. 34-2021-00301530-CU-OE-GDS).* The matter was finally approved for settlement by
15 the Hon. Lauri A. Damrell on September 9, 2022 in the gross amount of \$1,800,000.

16 *q. Westphal vs. New York Life Insurance Company, Placer County Superior Court (Case*
17 *No. S-CV-0040532).* The matter was finally approved for settlement by the Hon. Michael Jones on
18 September 11, 2018 in the gross amount of \$1,701,366.

19 *r. Williams vs. Kaiser Foundation Health Plan, Inc., Alameda County Superior Court*
20 *(Case No. RG 18917898).* The matter was finally approved for settlement by the Hon. Stephen Klaus
21 on August 19, 2020 in the gross amount of \$1,250,000.

22 *s. Vega vs. Cen Cal Plastering, Inc., San Joaquin County Superior Court (Case No. STK-*
23 *CV-UOE-2021-0005440).* The PAGA Settlement was approved by the Hon. George J. Abdallah on
24 April 13, 2022 in the gross amount of \$1,200,000.

25 *t. Barbano and Centeno vs. Ingram Micro, Inc., San Bernardino County Superior Court*
26 *(Case No. CIVDS1826805).* The matter was finally approved for settlement by the Hon. David Cohn on
27 September 17, 2019 in the gross amount of \$1,180,000.

1 u. Chieffer and Goldenberg vs. WHGM, Inc. (Keyes Motors), Los Angeles County Superior
2 *Court (Case No. LC106505).* The matter was finally approved for settlement by the Hon. Rupert A.
3 Byrdson on September 21, 2018 in the gross amount of \$1,150,000.

4 v. Hollis vs. Union Pacific Railroad Co., Central District of California No. 5:17-Cv-
5 *02449-JGB (SHKx)).* The matter was finally approved for settlement by the Hon. Jesus G. Bernal on
6 September 19, 2018 in the gross amount of \$1,083,965.

7 w. Myers vs. Mor Furniture for Less, Inc., San Diego County Superior Court (Case No. 37-
8 *2018-00055055-CU-OE-NC).* The PAGA Settlement was approved by the Hon. Ronald Frazier on
9 November 27, 2018 in the amount of \$1,062,000.

10 x. Grotte vs. Normal Life of California, Inc. et al., San Luis Obispo County Superior Court
11 *(Case No. 18CV-0672).* The matter was finally approved for settlement by the Hon. Tana L. Coates in
12 the gross amount of \$1,050,000 on June 24, 2020.

13 y. Wilson et al. vs. DGDG 1, LLC et al. (Del Grande Automotive Group), Santa Clara
14 *County Superior Court (Case No. 2018-1-CV-331434).* The matter was finally approved by the Hon.
15 Thomas E. Kuhnle on January 17, 2020 in the gross amount of \$1,024,963.71.

16 z. Chachavac vs. Kumar Management Corporation, San Mateo County Superior Court
17 *(Case No. 22-CIV-03110).* The matter was finally approved by the Hon. Nancy L. Fineman on April
18 16, 2024 in the gross amount of \$1,000,000.

19 aa. Perea vs. Drybar Holdings LLC, Los Angeles County Superior Court (Case
20 *No.BC703413).* The matter was finally approved for settlement by the Hon. Yolanda Orosco on
21 September 9, 2019 in the amount of \$1,000,000.

22 bb. Ali vs. Auto Nation, Inc. et al., San Diego County Superior Court (Case No. 37-2018-
23 *00037616-CU-OE-CTL).* The PAGA settlement was approved by the Hon. Ronald Frazier on
24 November 14, 2019 in the gross amount of \$851,000.

25 cc. Qunicho vs. Café Rio, San Bernardino County Superior Court (Case No.
26 *CIVDS2011822).* The PAGA settlement was approved by the Hon. Janet Frangie on December 14,
27 2021 in the gross amount of \$835,000.

1 *dd. Zamudio vs. Changing Lives Staffing et al, San Bernardino County Superior Court*
2 *(Case No. CIVSB2120359).* The matter was finally approved for Settlement by the Hon. Joseph T. Ortiz
3 on September 13, 2023 in the gross amount of \$820,041.32.

4 *ee. Ashe vs. Farmers Insurance Exchange et al., Los Angeles County Superior Court (Case*
5 *No. 18STCV00453).* This Fair Credit Reporting Act class action was finally approved by the Hon.
6 Steven J. Kleifield on August 6, 2020 in the gross amount of \$800,000.

7 *ff. Anderson vs. ABC Phones of North Carolina, Inc., Contra Costa County Superior Court*
8 *(Case No. MSC20-00957).* The PAGA settlement was approved by the Hon. Edward G. Weil on
9 August 31, 2021 in the gross amount of \$790,000.

10 *gg. Martinez vs. Vieira Agricultural Enterprises, LLC, Merced County Superior Court*
11 *(Case No. 19CV-04603).* The matter was finally approved for settlement by the Hon. Brian McCabe on
12 February 26, 2021 in the gross amount of \$775,000.

13 *hh. Pia vs. 5G's Automotive, Inc., Tulare County Superior Court (Case No. VCU274628).*
14 The matter was finally approved for settlement by the Hon. Brett Hillman on September 6, 2019 in the
15 gross amount of \$750,000.

16 *ii. Herrera vs. Inland Staffing et al., San Bernardino County Superior Court (Case No.*
17 *CIVDS2924284).* The matter was finally approved for settlement by the Hon. David S. Cohn on March
18 10, 2021 in the gross amount of \$750,000.

19 *jj. Kennedy vs. 99 Cents Only Stores, LLC, Los Angeles County Superior Court (Case No.*
20 *19STCV09311).* The PAGA settlement was approved by the Hon. Anthony Mohr on November 19,
21 2019 in the gross amount of \$700,000.

22 *kk. Ramirez vs. Hall Management Corp., San Luis Obispo County Superior Court (Case No.*
23 *22CVP-0065).* Judgment was entered on the finally approved settlement by the Hon. Craig van Rooyen
24 on September 19, 2024 in the gross amount of \$698,734.73.

25 *ll. Sumlin vs. BNSF Railway Company, San Bernardino County Superior Court (Case No.*
26 *CIVDS1724126).* The matter was finally approved for settlement by the Hon. David Cohn on
27 September 5, 2018 in the gross amount of \$675,000.

1 *mm. Brown vs. Saks and Company, LLC, Central District of California (CV 17-04210*
2 *SJO (JEM))*. This matter was finally approved for settlement by the Hon. S. James Otero on March 22,
3 2018 in the gross amount of \$638,800.

4 *nn. De La Hoya vs. Sierra West Finish, Inc., San Bernardino County Superior Court (Case*
5 *No. CIVSB2107351)*. The matter was finally approved for settlement by the Hon. David Cohn on July
6 13, 2022 in the gross amount of \$625,000.

7 *oo. Myers vs. LBC Limited Partnership, San Bernardino County Superior Court (Case No.*
8 *CIVDS 1715068)*. The matter was finally approved for settlement by the Hon. Janet Frangie on July 25,
9 2018 in the gross amount of \$600,000.

10 *pp. Bunkley vs. DMSD Foods et al., San Diego County Superior Court (Case No. 37-2020-*
11 *00017973-CU-OE-CTL)*. This PAGA settlement was approved on July 9, 2021 by the Hon. Richard E.
12 L. Strauss in the gross amount of \$595,000.

13 *qq. Garcia vs. Grower Direct Nut Company, Inc, Stanislaus County Superior Court (Case*
14 *No. CV-21-005425)*. This matter was finally approved by the Hon. John D. Freeland on May 19, 2023
15 in the gross amount of \$553,520.

16 *rr. Garcia vs. Optima Tax, Orange County Superior Court (Case No. 30-2019-01082473-*
17 *CU-OE-CXC)*. This PAGA settlement was approved on July 31, 2020 by the Hon. William Claster in
18 the gross amount of \$550,000.

19 6. I also have experience with contested class certifications having successfully overseen
20 the class certification in *Amaro v. Gerawan Farming, Inc.*, No. 1:14-CV-00147-DAD-SAB (E.D. Cal.
21 May 19, 2016). I personally drafted the motion for class certification, the reply in support of class
22 certification, and the opposition to the defendant's motion for reconsideration as well as the supporting
23 documents.

24 7. Based upon my experience and after factoring in the risks, I believe that this settlement
25 is fair and reasonable in light of the risks associated with the claims and that this settlement should be
26 approved. In making this determination, I weighed the benefits and risks associated with each of the
27 claims in light of the factual challenges as well as Defendant's potential defenses and determined the
28 amount offered in settlement was fair and reasonable considering the risks and the likelihood of success

1 on the merits and Defendant World Class' financial condition. After a review of these facts, it is my
2 opinion that the proposed settlement is in the best interest of the Class.

3 **PROCEDURAL AND FACTUAL HISTORY**

4 8. On June 8, 2023, Plaintiff filed a PAGA Notice with the California Labor and
5 Workforce Development Agency. Attached hereto as **Exhibit 1** is a true and correct copy of Plaintiff's
6 June 8, 2023 PAGA Notice.

7 9. On July 12, 2023, Plaintiff filed a Class Action Complaint in San Bernardino County
8 Superior Court alleging a single cause of action for failure to provide accurate itemized wage
9 statements in violation of Labor Code § 226.

10 10. Shortly thereafter, on August 14, 2023, Plaintiff filed a First Amended Complaint that
11 added a single cause of action for PAGA penalties based upon Defendants' alleged failure to provide
12 accurate itemized wage statements.

13 11. On September 29, 2023, Plaintiff filed an Amended PAGA Notice containing a number
14 of additional alleged wage and hour violations. Attached hereto as **Exhibit 2** is a true and correct copy
15 of Plaintiff's September 29, 2023 Amended PAGA Notice.

16 12. Following the entry of a stipulation granting leave to amend, Plaintiff filed a Second
17 Amended Complaint adding claims for a number of other alleged wage and hour violations on both a
18 Class and PAGA basis on December 1, 2023.

19 13. On May 3, 2024, Plaintiff filed another Amended PAGA Notice in an abundance of
20 caution adding additional information about Star HR who was also added to the Complaint via a Doe
21 Amendment. Attached hereto as **Exhibit 3** is a true and correct copy of Plaintiff's May 3, 2024
22 Amended PAGA Notice.

23 14. The Parties ultimately reached a settlement following extensive settlement negotiations
24 and based upon an extensive exchange of information in the lead up to two mediations that did not end
25 up happening because of the need to involve Star HR and World Class' financial issues. Attached
26 hereto as **Exhibit 4** is a true and correct copy of the Parties' Joint Stipulation of Class Action and
27 PAGA Settlement.

28 15. As part of the informal discovery process, Defendants provided Plaintiff with a class

list, relevant documents, and relevant policy related documents.

16. The two Defendants in this Action are a staffing company (World Class) and a company that Plaintiff claims lent its status to the staffing company (Star HR), but that contends it was merely the payroll provider or payroll agent for World Class. Star HR and World Class contend that they had nothing to do with the day-to-day working conditions of the Class and both World Class and Star HR contend that their potential liability is limited to the wage statement related issues.

17. As part of the informal and confirmatory discovery process Defendant World Class' managing member provided Plaintiff with a declaration. Attached hereto as **Exhibit 5** is a true and correct copy of the Declaration of Beatriz Power On Behalf of World Class Staffing Services LLC.

18. A major consideration in Plaintiff's decision to accept the Proposed Settlement was the financial condition of both Defendants after an analysis of financial documents and information provided by each.

THE PROPOSED SETTLEMENT

19. The Settlement provides for Defendants to pay a Gross Settlement Amount of \$150,000.00. Pursuant to the Settlement Agreement, Class Counsel proposes the following allocation of the Settlement to determine the Net Settlement Amount:

Gross Settlement Amount:	\$150,000.00
Attorneys' Fees (1/3):	up to \$50,000.00
Estimated Case Costs:	up to \$8,000.00
Estimated Service Award:	up to \$8,000.00
Estimated Cost of Administration:	up to \$10,000.00
PAGA Payment To the LWDA (\$20,000 total in PAGA Penalties):	\$15,000.00

Estimated Net Settlement Amount Including Employees' \$5,000 Share of PAGA Penalties	\$59,000.00
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20. The Estimated Net Settlement Amount (\$59,000.00) is the amount distributable to Participating Class Members and aggrieved employees and consists of the Gross Settlement Amount minus Court Approved Class Counsel's attorneys' fees and litigation costs, settlement administration

costs, the LWDA's portion of the PAGA penalties as well as a Service Award for the Class Representative.

21. The Settlement is non-reversionary, and Defendants will pay 100 percent of the Gross Settlement Amount. This is a checks-mailed settlement meaning that Class Members do not need to submit a claim form and will receive a check as long as the Settlement is approved.

22. The estimated average net settlement award each Class Member is expected to receive when including the employee's \$5,000 share of PAGA penalties is approximately \$139.81 (\$59,000.00/422 Class Members), the maximum estimated net settlement award is estimated to be approximately \$540.80 ((71 pay periods¹ worked during the class period/7,746 total pay periods) x \$59,000.00), and the minimum estimated settlement award is estimated to be approximately \$7.62 ((1 pay period worked during the class period/7,746 total pay periods) x \$59,000.00). The average estimated net settlement amount when excluding the employee's share of PAGA penalties is approximately \$127.96 (\$54,000.00/422 Class Members).

23. In my opinion, the proposed method of allocation is fair and reasonable.

THE NOTICE PROCESS

24. The Parties have agreed to use a reputable third-party claims administrator ILYM Group, Inc. ("ILYM") to administer the Settlement.

25. Defendants must provide ILYM Group, Inc. with the Class List and Notice data within fourteen (14) days of the Preliminary Approval Order.

26. Within twenty-eight (28) days after preliminary approval, ILYM Group, Inc. will perform a national change of address search for each Class Member, update the addresses per the results of the search, populate the data for the estimated Net Settlement Award for each Class Member and mail the Notice of Settlement to all Class Members via first-class, United States Mail.

27. I participated in the drafting of the Class Notice. Attached hereto as **Exhibit 6** is a true and correct copy of the Parties' agreed upon Proposed Class Notice.

28. With respect to those Class Members whose Notice of Settlement is returned to the Settlement Administrator as undeliverable, the Settlement Administrator shall resend the class notice to

¹ There are 71 weeks between June 8, 2022 and October 15, 2023.

1 any available forwarding address and run a skip-trace in an effort to attempt to ascertain the current
2 address of the Class Member.

3 29. The LWDA was also provided with the Notice of the Proposed Settlement as required
4 by PAGA. Attached hereto as **Exhibit 7** is a true and correct copy of the email confirmation received
5 from the LWDA following the submission of the Settlement Agreement.

6 **THE PROPOSED SETTLEMENT IS FAIR AND SHOULD BE APPROVED**

7 30. A presumption of fairness exists where: (1) the settlement is reached through arm's
8 length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act
9 intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is
10 small. *Dunk*, 48 Cal.App.4th at 1802. To prevent fraud, collusion or unfairness to the class, the
11 settlement or dismissal of a class action requires court approval. *Malibu Outrigger Bd. of Governors v.*
12 *Sup. Ct.*, 103 Cal.App.3d 573, 578-79 (1980). The purpose of the requirement is the protection of those
13 class members, including the named plaintiff, whose rights may not have been given due regard by the
14 negotiating parties. *Officers for Justice*, 688 F.2d at 624. The trial court has broad powers to determine
15 whether a proposed class action settlement is fair. *Mallick v. Sup. Ct.*, 89 Cal.App.3d 434 (1979). In my
16 opinion, the Proposed Settlement satisfies each of these factors.

17 31. The Settlement Agreement was the product of thorough, arms-length negotiations
18 conducted by experienced and informed counsel and represents a favorable resolution of the Class
19 claims based upon the unique facts of this Case.

20 32. In my opinion, the proposed settlement offers meaningful relief for Class Members
21 despite Defendants' financial challenges.

22 33. The case of *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 128 (2008), set forth
23 several factors that the Court should analyze in determining whether to approve a class action
24 settlement. These factors include: (1) the strength of plaintiff's case; (2) the risk, expense, complexity
25 and likely duration of further litigation; (3) the risk of maintaining class action status through trial; (4)
26 the amount offered in settlement; (5) the extent of discovery completed and stage of the proceedings;
27 (6) the experience and views of counsel; (7) the presence of a governmental participant; and (8) the
28

1 reaction of the class members to the proposed settlement. In my opinion, the proposed settlement
2 satisfies each of these factors.

3 THE STRENGTH OF PLAINTIFFS' CASE

4 34. Plaintiff alleged both derivative and non-derivative wage statement claims. The non-
5 derivative wage statement claims stem from Defendants' alleged failure to include the address of the
6 legal entity that is the employer in violation of Labor Code § 226(a)(8) and that Defendants, who
7 Plaintiff alleges are temporary services employers, failed to include information about the rate of pay
8 and the total hours worked for each temporary services assignment in violation of Labor Code §
9 226(a)(9).

10 35. Defendants argued that no violation existed because Defendants included the name Star
11 HR on the direct deposit notification attached to the wage statement and/or that the direct deposit
12 advice qualified as part of the wage statement.

13 36. Plaintiff believed it was unlikely that Defendants could prevail because the California
14 court of Appeal already rejected a similar argument in *Noori v. Countrywide Payroll & HR Solutions,*
15 *Inc.*, 43 Cal.App.5th 957, 966 (2019). In *Noori* the California Court of Appeal upheld a finding that an
16 employer violated Labor Code section 226(a) by failing to include the name of the legal entity that was
17 the employer on its wage statements despite “the fact that the full name appears on the
18 checks...physically attached to the wage statements.” As the Court of Appeal explained a “paycheck is
19 not ‘part of’ the wage statement.” *Id.* (citing *Willner v. Manpower Inc.*, 35 F.Supp.3d 1116, 1129 (N.D.
20 Cal. 2014) (rejecting the argument that an address on a detachable check attached to wage statements
21 satisfied statute). Nevertheless, some risk existed that a different appellate court could find that *Noori*
22 was incorrectly decided and/or that *Noori* was distinguishable from the present action.

23 37. Further risk existed and was actually realized during the pendency of this Action when
24 the California Court of Appeal recognized a good faith defense to a claim for failure to comply with
25 accurate itemized wage statements in violation of Labor Code § 226 in *Naranjo v. Spectrum Sec.*
26 *Servs., Inc.*, 15 Cal. 5th 1056, 1064 (2024).

27 38. I determined the non-risk adjusted value of this claim was \$753,500.00. I determined the
28 reasonable risk adjusted settlement value of this claim as of the time of settlement to be \$100,215.50

1 calculated as follows: \$753,500.00 x .95 (95% chance that Plaintiff would certify this class) x .7 (70%
2 chance that Plaintiff would prevail on the merits based upon the issue in *Noori*) x .5 (50% chance that
3 Court would find that Defendants acted in good faith) x .4 (60% chance that the continued litigation
4 could deplete Defendant Star HR's financial resources, and a 100% chance that it would deplete
5 Defendant World Class' financial resources potentially leading to no recovery).

6 39. Moreover, as with any PAGA case, significant risk also exists with respect to the
7 amount of PAGA penalties that a Court may award given their discretionary nature.

8 40. Under Labor Code § 2699.3(e)(2), "a court may award a lesser amount than the
9 maximum civil penalty amount specified by this part if, based on the facts and circumstances of the
10 particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or
11 confiscatory." I believed that significant risk existed that the Court would exercise its discretion to
12 severely reduce the amount of available PAGA penalties due to the technical nature of the violations
13 and Defendants' financial condition.

14 41. Courts can still exercise their discretion to reduce the amount of penalties awarded.
15 *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504, 529 (2018) (the trial court declined to stack
16 PAGA penalties and the Court of Appeal affirmed the reduction of the PAGA penalties to \$5.00 per
17 pay period). A similar methodology here would result in penalties of approximately \$38,730.00 (7,746
18 pay periods x \$5.00 per pay period *i.e.* 5% of the total exposure).

19 **THE RISK, EXPENSE, COMPLEXITY, AND LIKELY DURATION OF FURTHER**
20 **LITIGATION**

21 42. There are also always risks attendant to wage and hour cases given the evolving nature
22 of such claims.

23 43. Given the ever-evolving landscape of wage and hour law, there are always risks that a
24 new case will come out that will clarify and/or potentially limit employees' claims. *Id.* For example,
25 although generally it was well-established that employees could recover both wage statement and
26 waiting time penalties based upon an employer's failure to provide lawful meal/rest periods, a recent
27 appellate case held that such penalties are not recoverable before it was later overturned. *Naranjo v.*
28 *Spectrum Security Services, Inc.*, 40 Cal. App. 5th 444 (2019); *aff'd in part, rev'd in part and remanded*
13 Cal. 5th 93, (2022). Similarly, in another recent decision the California Court of Appeal held that

1 employers could pay employees meal/rest period premiums at the employee’s hourly base rate instead
2 of at their regular rate before that decision was also overturned by the California Supreme Court. *Ferra*
3 *v. Loews Hollywood Hotel, LLC*, 40 Cal. App. 5th 1239 (2019) rev'd, 11 Cal. 5th 858 (2021). While
4 Plaintiff was confident that he would prevail on his claims based upon present law, the plaintiffs in
5 *Ferra* and *Naranjo* likely believed they would have as well and actually did on their derivative claims
6 prior to the California Court of Appeal’s rulings in those actions and before each matter was eventually
7 reversed by the California Supreme Court. As the California Court of Appeal explained in the now
8 overturned *Naranjo* decision, “[a]lthough wage and hour lawsuits are ubiquitous in state courts, most
9 settle before trial. Consequently, our appellate courts have not had much opportunity to publish
10 decisions addressing the derivative wage claim issue[s].” *Naranjo*, 40 Cal. App. 5th at 468. While
11 Plaintiff acknowledges that the California Supreme Court reversed in both cases, each nevertheless are
12 emblematic of the inherent risk associated with litigating wage and hour cases and the fact that a new
13 appellate decision can dramatically alter the strength of the employees’ claims at any time. Indeed,
14 *Naranjo* was appealed again to the California Supreme Court where the Court ruled in the employer’s
15 favor. *Naranjo v. Spectrum Sec. Servs., Inc.*, 15 Cal. 5th 1056, 1064 (2024). And, PAGA itself was
16 amended during the pendency of this Action.

17 **THE RISK OF MAINTAINING CLASS ACTION STATUS THROUGH TRIAL**

18 44. This case has not been certified to be tried as a class action. While there is evidence to
19 support certification, certification is always hard fought and subject to judicial discretion. Moreover, in
20 class actions, decertification is always a possibility.

21 45. In attempting to certify a class, the Parties would need to conduct deposition of the
22 named Plaintiff and of the person most knowledgeable regarding Defendants’ policies and practices
23 related to the claims and surveys. There is a risk for both sides as to what these depositions will reveal
24 and whether they will support class certification.

25 **THE AMOUNT OFFERED IN SETTLEMENT**

26 46. To allow the Court to analyze the reasonableness of the Parties’ Proposed Settlement,
27 Plaintiff analyzed the maximum possible value of the claims at issue in this action if Plaintiff certified
28

1 and prevailed on the Labor Code § 226(e) claim and the Court declined to exercise any discretion when
2 awarding PAGA penalties.

3 47. I determined the maximum exposure on the claims to be between \$1,528,100.00 to
4 \$2,690,000.00 in light split of authority between *Gunther* and *Raines* regarding which PAGA penalties
5 apply to violations of Labor Code § 226(a) that predate the July 1, 2024 PAGA reform. However, I did
6 not believe that this presented a remotely realistic outcome given Defendants' significant defenses and
7 the Court's discretion with respect to the PAGA penalties. I calculated the maximum potential damages
8 as follows:

9 **TOTAL DAMAGES IF PAGA PENALTIES ARE ASSESSED UNDER LABOR CODE**
10 **SECTION 2699**

11 **Labor Code section 226(e) Penalties:**

12 422 pay periods assessed at the initial violation rate x \$50 per pay period penalty
13 (\$21,100.00) + 7,324 pay periods assessed at the subsequent violation rate x \$100 subsequent
14 violation per pay period rate (\$732,400.00) = **\$753,500.00**

15 **Labor Code § 2699 Penalties:**

- 16 • PAGA penalties assessed at the \$100 per pay period initial violation rate = 7,746 pay
17 periods x \$100 = **\$774,600.00**

18 **Total Damages: \$1,528,100.00** = \$753,500.00 (226(e) penalties) + \$774,600.00 (PAGA penalties
19 calculated at the Labor Code section 2699 \$100 per pay period rate).

20 **TOTAL DAMAGES IF PAGA PENALTIES ARE ASSESSED UNDER LABOR**
21 **CODE SECTION 226.3**

22 **Labor Code section 226(e) Penalties:**

23 422 pay periods assessed at the initial violation rate x \$50 per pay period penalty
24 (\$21,100.00) + 7,324 pay periods assessed at the subsequent violation rate x \$100 subsequent
25 violation per pay period rate (\$732,400.00) = **\$753,500.00**

26 **Labor Code section 226.3 Penalties:**

27 \$250 per employee penalty for initial violations x 7,746 violations = **\$1,936,500.00**

28 **Total Damages: \$2,690,000.00** = \$753,500.00 (226(e) penalties) + \$1,936,500.00 (PAGA
penalties calculated at the Labor Code section 226.3 rate \$250 per employee per violation).

48. However, for the reasons discussed above, the likely verdict amounts from a risk
adjusted value ranged from as little as \$0.00 to \$138,945.50 (\$100,215.50 risk adjusted value of the
Labor Code § 226(e) penalties + \$38,730.00 in PAGA penalties (7,746 pay periods x \$5.00 per pay
period). It was also possible that the Court might find that Defendants acted in good faith and that the

1 Class could not recover Labor Code § 226(e) penalties and based upon that finding decline to award a
2 significant amount of PAGA penalties as in *Carrington*.

3 49. In evaluating the reasonableness of the settlement offers, I considered my own
4 experience with class wage statement claims and PAGA settlements as well as similar settlements
5 obtained by other firms. In the instant action, Plaintiff and I negotiated a monetary gross settlement of
6 \$355.45 per employee (\$150,000.00/422 Class Members) or \$19.36 per pay period (\$150,000.00 gross
7 settlement amount/7,746 pay periods) and an estimated net settlement amount of \$139.81
8 (\$59,000.00/422 Class Members) or \$7.62 per pay period (\$59,000.00 estimated net settlement amount
9 /7,746 pay periods).

10 50. After weighing the other benefits and risks associated with each of the claims in light of
11 the factual challenges as well as Defendants' potential defenses, I determined the amount offered in
12 settlement was fair and reasonable considering the risks and the likelihood of success on the merits,
13 Defendants' financial challenges, and the unique facts of this case.

14 **THE EXPERIENCE AND VIEWS OF COUNSEL**

15 51. I have extensive experience with litigating class and representative wage-and-hour cases
16 and have served as Class and/or PAGA Counsel in numerous wage and hour class actions.

17 52. I weighed the strengths and risks of weighed the strengths and risks of the claims and
18 believe that this is a fair and reasonable settlement in light of the nature of the claims, realistic risk
19 adjusted value of damages, complexities of the case, the state of the law, and the uncertainties of class
20 certification and litigation.

21 53. After factoring in the risks explained herein, I believe that the proposed Settlement is
22 fair and reasonable.

23 **THE PROPOSED PLAN OF ALLOCATION IS FAIR AND REASONABLE**

24 54. Plans of allocation are subject to the same standard of review as class action settlements;
25 they must be "fair, adequate and reasonable." *See e.g., Officers for Justice v. Civil Service Comm'n*,
26 688 F.2d 615, 624–625, 629–630 (9th Cir. 1982).

27 55. Here, the Net Settlement Amount shall be allocated among Settlement Class members
28 on a pro rata basis based upon the number of pay periods worked during the Class Period. In my

1 opinion, the proposed method of allocation is fair and reasonable.

2 **THE PROPOSED NOTICE FAIRLY APPRISES THE CLASS MEMBERS OF THE**
3 **TERMS OF THE SETTLEMENT AND OF THE CLASS MEMBERS' RIGHTS**
4 **UNDER THE SETTLEMENT**

5 56. The standard for determining the adequacy of notice is whether the notice has “a
6 reasonable chance of reaching a substantial percentage of the class members.” *Cartt v. Sup. Ct.*, 50 Cal.
7 App. 3d 960, 974 (1975). With respect to the contents of the Notice of Settlement, the “notice given to
8 the class must fairly apprise the class members of the terms of the proposed compromise and of the
9 options open to dissenting class members.” *Trotsky v. L.A. Fed. Sav. & Loan Ass’n*, 48 Cal.App.3d 134,
10 151–52 (1975).

11 57. Class Members will receive a detailed notice that provides class members with sufficient
12 information to decide whether they should accept the benefits offered, opt out and pursue their own
13 remedies, or object to the Settlement.

14 58. The proposed notice will be distributed in English and Spanish.

15 59. In my opinion, the Court should approve the proposed Notice of Settlement because it
16 describes the proposed Settlement with enough specificity to allow Class Members to make an
17 informed choice regarding whether to participate.

18 **THE PROPOSED SETTLEMENT CLASS SHOULD BE CERTIFIED FOR**
19 **SETTLEMENT PURPOSES**

20 60. In the case at hand, Plaintiff contends that there are clear and common questions of law
21 and fact that can be decided with one stroke: Whether Defendants violated Labor Code § 226(a) and (e)
22 by failing to provide accurate itemized wage statements.

23 61. Plaintiff contends that the proposed Class Members suffered the same injuries, in the
24 same manner: they were not provided with accurate itemized wage statements.

25 62. In my opinion, class certification is appropriate because almost all of the issues of law
26 and fact will be identical for each proposed Class Member. In the event that each person is required to
27 bring an individual action against Defendants, the common factual and legal issues would have to be
28 litigated and tried repeatedly. In this case, the methods of proof to be used will be similar across the
class. As such, in my opinion, a class action will avoid duplication of legal and judicial resources that
would result if the class is not certified.

ATTORNEYS FEES' AND COSTS

63. I am familiar with the contingent fee market throughout California, particularly as it pertains to complex employment, wage and hour, and class action litigation. During this litigation, my firm litigated this case without receiving any payment for my services or reimbursement of my firm's costs incurred for the benefit of the Class, the state of California, and the aggrieved employees.

64. Winston Law Group, P.C. has never been paid any money for attorneys' fees in this case and has advanced costs.

65. There are always risks attendant to billing cases on a contingency basis. It is not a foregone conclusion that every case taken on a contingency fee basis will result in a recovery or that the attorneys' fees recovered will actually compensate my firm for the amount of time expended in an action. Moreover, even when successful, a class action contingency law firm may only receive a small percentage of the amount of attorneys' fees incurred during the prosecution of a case. Where plaintiffs' counsel does succeed, therefore, it is appropriate to compensate the firm for the risks the firm regularly undertakes. There is also always the possibility that the Plaintiff will not prevail and Class Counsel will not receive any compensation for its services and/or that the Defendant will declare bankruptcy or lack the assets necessary to satisfy any judgment obtained against it.

66. When awarding attorneys' fees, courts have discretion to choose among two different methods for calculating a reasonable attorney's fees award: 1) the common fund approach; or 2) the lodestar approach *See Laffitte v. Robert Half Int'l Inc.*, 1 Cal.5th 480, 504, (2016) ("The choice of a fee calculation method is generally one within the discretion of the trial court, the goal under either the percentage or lodestar approach being the award of a reasonable fee to compensate counsel for their efforts.") In *Laffitte*, the California Supreme Court held that "[t]he recognized advantages of the percentage method – including relative ease of calculation, alignment of incentives between counsel and the class, a better approximation of market conditions in a contingency case, and the encouragement it provides counsel **to seek an early settlement and avoid unnecessarily prolonging litigation** – convince us the percentage method is a valuable tool that should not be denied by our trial courts." *Id.* (emphasis added). Similarly, the Ninth Circuit has found that counsel should not "receive a lesser fee for settling a case quickly." *Vizcaino v. Microsoft Corp.*, 290 F.3d 1043 (9th Cir. 2002).

67. California Courts have consistently found that “fee awards in class actions average around one-third of the recovery” regardless of “whether the percentage method or the lodestar method is used.” *Anaheim Arena Mgmt., LLC*, 69 Cal. App. 5th 521, 545 (2021)(“[F]ee awards in class actions average around one-third of the recovery” regardless of “whether the percentage method or the lodestar method is used.”) (quoting *Chavez v. Netflix, Inc.*, 162 Cal.App.4th 43, 66, fn. 11 (2008); *McCrary v. Elations Co., LLC*, No. EDCV 13-0242 JGB (SPx), 2016 U.S. Dist. LEXIS 24050, at *2 (C.D. Cal. Feb. 25, 2016) (“most fee awards based on either a lodestar or percentage calculation are 33%.”); *McClellan v. Chase Home Fin. LLC*, No. SACV 12-1331-JGB (JEMx) 2015 U.S. Dist. LEXIS 118005, at *20 (C.D.Cal. Aug. 31, 2015) (explaining that while the attorneys’ fee award that approximated 32% of all sums paid under the Settlement Agreement was reasonable after citing numerous other cases finding that an award of 33% of the common fund was common in class actions.). In reaching its decision in *McClellan*, the court recognized that “California district courts routinely award attorneys’ fees in the range of 30-40% in class actions that result in the recovery of a common fund under \$10 million.” *McClellan, LLC*, No. SACV 12-1331-JGB (JEMx) 2015 U.S. Dist. LEXIS 118005, at *20 (quoting *Miller v. CEVA Logistics USA, Inc.*, No. 2:13-CV-01321-TLN, 2015 U.S. Dist. LEXIS 104704, 2015 WL 4730176, at *8 (E.D. Cal. Aug. 10, 2015) and citing *In re Mego Fin. Corp. Sec. Litig.*, 213 F.3d 454, 463 (9th Cir. 2000); *Romero v. Producers Dairy Foods, Inc.*, No. 05-0484, 2007 U.S. Dist. LEXIS 86270, 2007 WL 3492841, at *4 (E.D. Cal. Nov. 14, 2007) (awarding 33% of the settlement fund in a wage-and-hour case involving allegations of unpaid wages after explaining that “fee awards in class actions average around one-third of the recovery.”); *Stuart v. RadioShack Corp.*, No. C-07-4499 EMC, 2010 WL 3155645 (N.D. Cal. Aug. 9, 2010) (noting that a fee award of 1/3 of the settlement was “well within the range of percentages which courts have upheld as reasonable in other class action lawsuits.”); *Singer v. Becton Dickinson and Co.*, No. 08-cv-821-IEG (BLM), 2010 WL 2196104, at * 8 (S.D. Cal. June 1, 2010) (approving fee award of 33.33% of the common fund); *Boyd v. Bank of Am. Corp.*, No. SACV 13-0561-DOC (JPRx), 2014 U.S. Dist. LEXIS 162880 (C.D. Cal. Nov. 18, 2014) (awarding a 33.34% fee on a \$5,800,000 settlement).

68. Based upon my experience, I believe that a common fund award is appropriate due to my firm’s efficient, diligent, and skilled litigation of this Action.

1 **PLAINTIFF’S REQUESTED SERVICE AWARD IS REASONABLE**

2 69. Plaintiff is requesting a service award in an amount of \$8,000 in recognition of the
3 broader general release he entered into with Defendants, his time and efforts on behalf of the Class, the
4 fact that his name could become known and it was possible that his involvement in the matter could
5 make it more difficult for him to obtain employment in the future.

6 70. In my opinion, the requested service award falls well within the range of incentive
7 payments typically awarded to Class Representatives in similar class actions. My opinion is based not
8 only upon my experience, but also my knowledge of other cases including, but not limited to *Bond v.*
9 *Ferguson Enterprises, Inc.*, No. 1:09–cv–1662 OWW MJS, 2011 WL 2648879 (E.D. Cal. June 30,
10 2011) (approving \$11,250 service award to each of the two class representatives wage and hour class
11 action) and *Vasquez v. Coast Valley Roofing, Inc.*, 266 F.R.D. 482, 493 (E.D. Cal. 2010) (approving
12 service awards in the amount of \$10,000 each from a \$300,000 settlement fund in a wage/hour class
13 action).

14 71. Code of Civ. Proc. § 384 requires that any funds associated with uncashed voided
15 checks issued as part of this settlement be paid to “nonprofit organizations or foundations to support
16 projects that will benefit the class or similarly situated persons, or that promote the law consistent with
17 the objectives and purposes of the underlying cause of action, to child advocacy programs, or to
18 nonprofit organizations providing civil legal services to the indigent.” In accordance with Code of Civ.
19 Proc. § 384, the Parties propose to designate CASA of San Bernardino County as the proposed *cy pres*
20 beneficiary. Neither I nor my firm have any interest and/or involvement with the governance of CASA
21 of San Bernardino County.

22 72. In my opinion, the amounts recovered by the Class under the terms of the Proposed
23 Settlement compare favorably with the many class action settlements approved by other courts. My
24 understanding is based in part on the below cases:

- 25 ■ *Raya v. Amazon*, Case No. 3:15-cv-02005 (N.D. Cal. Feb. 15, 2017) (approving a Class
26 Action and PAGA settlement of wage statement claims in the gross amount of \$600,000
27 for 28,247 employees that amounted to a gross settlement of \$1.05 per wage statement
28 and a net settlement of \$0.64 per wage statement);

- *Pelton vs. Panda Restaurant Group*, 2 :10-cv-08458 (C.D. Cal. Mar. 2012) (approving a Class Action and PAGA settlement of wage statement claims that amounted to a gross settlement of \$4.77 per wage statement and a net settlement of \$1.19 per wage statement);
- *Smith v. Wal-mart*, Case No. 3:16-cv-02832, (Doc. 69 Jan. 2, 2018) (preliminarily approved class action settlement on January 2, 2018 for 110,000 employees resulting in a gross settlement of \$14.54 per employee and an estimated net settlement of \$10.45 per employee);
- *Brown v. CVS Pharm., Inc.*, 2017 U.S. Dist. LEXIS 182309, at *1 (C.D.Cal. Apr. 24, 2017) (approving a class action and PAGA settlement of wage statement claims that amounted to a net settlement of approximately \$12.32 per wage statement);
- *McKenzie v. Fed. Express Corp.*, 2012 U.S. Dist. LEXIS 103666, at *2 (C.D.Cal. July 2, 2012) (approving a class action and PAGA settlement of wage statement claims that amounted to a net settlement of approximately \$10.99 per wage statement).

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

Executed this 13th day of August 2025, in Los Angeles, California.



DAVID S. WINSTON

Exhibit 1

WINSTON LAW GROUP, P.C.

1880 CENTURY PARK EAST SUITE 511 • LOS ANGELES, CA 90067 • (424) 288-4568

Attorneys

David Winston
Lior Barkodar*

*Indicates Of Counsel

June 8, 2023

Via Online Filing with the LWDA & by Certified Mail to Defendant

World Class Staffing Services LLC
11175 AZUSA CT SUITE 110
Rancho Cucamonga, CA 91730

Re: Jose Rodriguez vs. World Class Staffing Services LLC and/or other dbas of the above identified entities and/or other names by which these entities and/or businesses are known World Class Staffing Services LLC - California Labor Code §2699 Penalties

Gentlepersons:

This firm represents Jose Rodriguez (“Plaintiff”)¹ and a proposed group of current and former employees working for Defendant World Class Staffing Services LLC in California for violations of California Labor Code §§ 226 and 226.3

- (1) all employees who were employed by World Class Staffing Services LLC or its predecessor, merged or related entities in California as an employee at any point from June 8, 2022 and continuing into the present. (“Aggrieved Employees”);
- (2) all non-exempt, hourly employees or other similar position who were employed by World Class Staffing Services LLC or its predecessor, merged or related entities in California as an employee at any point from June 8, 2022 and continuing into the present. (“Non-Exempt Aggrieved Employees”);

DEFENDANT VIOLATED AND CONTINUE TO VIOLATE LABOR CODE § 226 and 226.3

As to Plaintiff and all aggrieved employees, Defendant failed to provide accurate itemized wage statements in accordance with Labor Code § 226(a)(8). Labor Code § 226 obligates employers, semi-monthly or at the time of each payment to furnish an itemized wage statement in writing showing:

- (1) gross wages earned;

¹ Mr. Rodriguez’s employee id number is Z38193

- (2) total hours worked by the employee;
- (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece rate;
- (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item;
- (5) net wages earned;
- (6) the inclusive dates of the period for which the employee is paid;
- (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number;
- (8) the name and address of the legal entity that is the employer...;
- (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee...

The wage statements issued to Plaintiff and the other aggrieved employees did not include the address of the legal entity that is the employer. For instance, for the pay period of May 15, 2023 to May 21, 2023, Defendant issued an itemized wage statement to Plaintiff that did not contain any address for the employer. Plaintiff alleges that the wage statements that Defendant issued to the other aggrieved employees during the PAGA period also did not contain the address of the legal entity that is the employer. Such conduct violates Labor Code § 226(a)(8). In addition, since Defendant is a temporary services employer as defined in Labor Code section 201.3, its wage statements must also contain the rate of pay and total hours worked for each temporary services assignment in accordance with Labor Code § 226(a)(9). However, some of the wage statements issued by Defendants to the aggrieved employees during the PAGA period did not include the rate of pay and the total hours worked for each temporary services assignment as required by Labor Code § 226(a)(9).

There is currently a split of authority regarding which PAGA penalties apply to violations of Labor Code § 226(a). *Gunther v. Alaska Airlines, Inc.*, 72 Cal. App. 5th 334, 355 (2021) (holding that such violations give rise to a 2699.3 penalty) *cf.*; *Raines v. Coastal Pacific Food Distributors, Inc.*, 23 Cal.App.5th 667, 675 (2018) (holding that such violations give rise to a Labor Code § 226.3 penalty). Labor Code § 226.3 provides that “[a]ny employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial violation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage deduction statement or fails to keep the required in subdivision (a) of Section 226.” As explained in detail above, Defendants failed to provide Plaintiff and the other aggrieved employees with accurate itemized wage statements. Accordingly, to the extent it applies, Plaintiff and the other aggrieved employees seek either Labor Code §§ 226.3 or 2699 penalties for Defendants’ violations of Labor Code § 226(a).

June 8, 2023
Page 3 of 3

CONCLUSION

Therefore, pursuant to Labor Code § 2699.3, we write to inform you and the Labor and Workforce Development Agency of our intent to pursue a civil class action lawsuit and representative action against Defendant that will also include a PAGA claim for penalties under Labor Code § 2699 to be brought by the Plaintiff, individually and on behalf of all aggrieved employees, as defined above.

Very truly yours,

WINSTON LAW GROUP, P.C.

By: 
DAVID S. WINSTON

Certified Mail #: 7020 1810 0000 4230 6473

Exhibit 2

WINSTON LAW GROUP, P.C.

1880 CENTURY PARK EAST SUITE 511 • LOS ANGELES, CA 90067 • (424) 288-4568

Attorneys

David Winston

*Indicates Of Counsel

Lior Barkodar*

September 29, 2023

Via Online Filing with the LWDA & by Certified Mail to Defendants

World Class Staffing Services LLC
11175 AZUSA CT SUITE 110
Rancho Cucamonga, CA 91730

Re: Jose Rodriguez vs. World Class Staffing Services LLC and/or other dbas of the above identified entities and/or other names by which these entities and/or businesses are known World Class Staffing Services LLC - California Labor Code §2699 Penalties – Amended PAGA Notice LWDA Case No. LWDA-CM-960590-23

Dear LWDA:

As you know, this firm represents Jose Rodriguez (“Plaintiff” or “Mr. Rodriguez”) and a proposed group of current and former employees working for Defendant *World Class Staffing Services LLC* and/or other dbas of the above identified entities and/or other names by which these entities and/or businesses are known as World Class Staffing Services LLC (“Defendant”) in California for violations of California Labor Code §§ 200, 201, 202, 203, 204, 206.5, 210, 226, 226.3, 226.7, 246-248, 256, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198 (including seating), 1198.5, 1199, 2802, 2810.5, and IWC Wage Order No. 4-2001 and/or other applicable wage order.

- (1) all employees who were employed by World Class Staffing Services LLC or its predecessor, merged or related entities in California as an employee at any point from June 8, 2022 and continuing into the present. (“Aggrieved Employees”);
- (2) all non-exempt, hourly employees or other similar position who were employed by World Class Staffing Services LLC or its predecessor, merged or related entities in California as an employee at any point from June 8, 2022 and continuing into the present. (“Non-Exempt Aggrieved Employees”);

These groups may all collectively be referred to herein as aggrieved employees and/or all aggrieved employees where appropriate. The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et seq.* We herein set forth some of the facts and theories of California Labor Code violations which we allege Defendant

engaged in with respect to our client and all aggrieved employees.¹ For all sections of the Labor Code referenced, Plaintiff alleges to cover and is hereby providing notice that this notice covers all theories under which claims under PAGA may be pursued, including but not limited to, as set forth in California’s primary rights doctrine with respect to all such claims.

Please be advised “that PAGA allows an ‘aggrieved employee’—a person affected by at least one Labor Code violation committed by an employer—to pursue penalties for all the Labor Code violations committed by that employer” regardless of whether or not that employee personally experienced all of the alleged violations. *Huff v. Securitas Sec. Servs. USA, Inc.*, 23 Cal. App. 5th 745, 751, 754, 761 (2018) (emphasis added).

DEFENDANT VIOLATED AND CONTINUES TO VIOLATE LABOR CODE §§ 1194, 1197, 1197.1, 1198 AND IWC WAGE ORDER NO. 4-2001 OR OTHER APPLICABLE WAGE ORDERS

Labor Code § 1197 states the California requirement that employees must be paid at least the minimum wage fixed by the Commission or by any applicable state or local law, and any payment of less than the minimum wage is unlawful. Similarly, Labor Code § 1194 entitles “any employee receiving less than the legal minimum wage...to recover in a civil action the unpaid balance of the full amount of this minimum wage.” IWC Wage Order 7-2001 and other applicable wage orders obligate employers to pay each employee minimum wages for all hours worked.

These minimum wage standards apply to each hour employees worked for which they were not paid. Therefore, an employer’s failure to pay for any particular hour of time worked by an employee is unlawful, even if averaging an employee’s total pay over all hours worked, paid or not, results in an average hourly wage above minimum wage. *Armenta*, 135 Cal.App.4th at 324.

In addition, Labor Code § 1198 provides that “the maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

Here, Defendant regularly and consistently failed to pay Plaintiff and the aggrieved employees for all hours worked including, but not limited to, due to its policy and practice of not paying the aggrieved employees for required and/or expected pre-shift activity, not paying employees for required and/or expected post-shift activity, impermissibly rounding employees’ time entries (including start times, time entries associated with meal periods, and stop times), failing to

¹ See *Cardenas v. McLane FoodServices, Inc.* (C.D. Cal. Jul. 8, 2011) 796 F. Supp. 2d 1246, 1261; *Moua v. Int’l Bus. Machines Corp.* (N.D. Cal. Jan. 31, 2012) No. 5:10-CV-01070 EJD, 2012 WL 370570, at *5; *York v. Starbucks Corp.*, (C.D. Cal. Nov. 1, 2012) No. CV 08-07919 GAF PJWX, 2012 WL 10890355, at *4.

pay minimum wages in accordance with the local municipal wage ordinances in effect for their job assignments, automatically deducting the time associated with meal periods regardless of whether or not the aggrieved employee received a meal period, failing to compensate the aggrieved employees for security checks, for the time associated with bag checks, for the time associated with temperature/wellness checks, for the time associated with uniform maintenance, for the time associated with filling up gas and/or replacing gas consumed in the discharge of the employee's job duties, picking up supplies, performing bank runs/deposits, due to Defendant's communications with employees (whether by phone call, email, text message, or other method) while off-the-clock, failing to record all hours worked, for uncompensated time spent donning and doffing uniforms, and for the time spent working during interrupted meal and/or rest periods. *Barrett Business Services, Inc.*, 29 Cal. App. 5th 778, 808 (2018) (affirming the award of PAGA penalties for violations of Labor Code § 512 where employees meal periods were interrupted and remanding to the trial court the amount of PAGA penalties that should be awarded based upon the minimum wage violations associated with the same interrupted meal periods under Labor Code section 1194.). As such, Defendant failed to pay Plaintiff and all aggrieved employees for all hours worked in violation of Labor Code §§ 1194, 1197, 1197.1, 1198 and IWC Wage Order No. 4-2001. Thus, Plaintiff is an aggrieved employee pursuant to PAGA.

Defendant is also legally responsible for ensuring the accuracy of its time records and cannot rely upon time records that it knew were false and/or statements by employees as the California Supreme Court explained. *Donohue v. Amn Servs.*, 11 Cal.5th 58, 81 (2021) ("It is the employer's duty to maintain accurate time records" and that the employer could not rely upon certifications from employees where the information provided to the employees was inaccurate and/or incomplete); *accord Feaver v. Kaiser Found. Health Plan, Inc.*, No. 15-cv-00890-EMC, 2016 U.S. Dist. LEXIS 9778, at *8 (N.D. Cal. Jan. 27, 2016) (conditionally certifying a class under the Fair Labor Standards Act where the employees could show that they received and/or sent emails off-the-clock despite the fact that the employer had a policy requiring all time to be recorded.); *Troester v. Starbucks Corp.*, 5 Cal.5th 829 (2018). As such Defendant was obligated to maintain accurate time records of all hours worked and their failure to do so resulted in the underpayment of Plaintiff and the aggrieved employees.

Labor Code § 1197.1 authorizes employees who are paid less than the minimum fixed by an applicable state or local law, or by an order of the commission a civil penalty, restitution of wages, and liquidate damages as follows: (1) for any initial violation that is intentionally committed, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee is underpaid....[and] (2) [f]or each subsequent violation for the same specific offense, two hundred fifty dollars (\$250) for each underpaid employee for each pay period for which the employee is underpaid regardless of whether the initial violation is intentionally committed. As set forth above, Defendant failed to compensate Plaintiff and all aggrieved employees for all minimum wages. Accordingly, through PAGA and to the extent permitted by law Plaintiff and all aggrieved

employees are entitled to recover civil penalties for violations of Labor Code § 1197.1.

DEFENDANT VIOLATED AND CONTINUES TO VIOLATE LABOR CODE §§ 510, 558, 1197, 1197.1, and 1198 AS WELL AS WAGE ORDER NO. 4-2001 AND OTHER APPLICABLE WAGE ORDERS

Labor Code § 510 requires an employer to compensate an employee who works more than eight (8) hours in one workday, forty (40) hours in a workweek, and for the first eight (8) hours worked on the seventh consecutive day no less than one and one-half times the regular rate of pay for an employee. Further, Labor Code § 510 obligates employers to compensate employees at no less than twice the regular rate of pay when an employee works more than twelve (12) hours in a day or more than eight (8) hours on the seventh consecutive day of work. In accordance with Labor Code § 1194, Plaintiff and the other aggrieved employees could not agree to work for a lesser wage.

In addition, Labor Code § 1197 states the California requirement that employees must be paid at least the minimum wage fixed by the Commission or by any applicable state or local law, and any payment of less than the minimum wage is unlawful.

Similarly, Labor Code § 1198 provides that “the maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

As discussed in detail above, Defendant engaged in a common policy and practice of not paying the aggrieved employees for required and/or expected pre-shift activity, not paying employees for required and/or expected post-shift activity, impermissibly rounding employees’ time entries (including start times, time entries associated with meal periods, and stop times and in a non-neutral manner that favored the employer), failing to pay minimum wages in accordance with the local municipal wage ordinances in effect for their job assignments, automatically deducting the time associated with meal periods regardless of whether or not an employee received a meal period, failing to compensate the aggrieved employees for security checks, for the time associated with bag checks, for the time associated with temperature/wellness checks, for the time associated with uniform maintenance, for the time associated with filling up gas and/or replacing gas consumed in the discharge of the employee’s job duties, picking up supplies, performing bank runs/deposits, due to Defendant’s communications with employees (whether by phone call, email, text message, or other method) while off-the-clock, failing to record all hours worked, for uncompensated time spent donning and doffing uniforms, and for the time spent working during interrupted meal and/or rest periods. As a result, Defendant often misclassified overtime hours as regular hours resulting in the underpayment of overtime wages and also failed to provide at least some of the aggrieved employees with any compensation for overtime hours whatsoever. For the same reasons as

explained in detail above, Defendant also improperly failed to provide compensation for and/or misclassified doubletime hours as overtime hours or regular hours when the aggrieved employees worked more than twelve (12) hours in a day and/or more than eight (8) hours on the seventh day of work. Defendant also had a common policy and practice of only paying overtime hours when an employee works more than forty (40) hours in a week rather than eight (8) hours in a day. “Employees must be compensated for each hour worked at either the legal minimum or the contractual hourly rate, and compliance cannot be determined by averaging hourly compensation.” *Bluford vs. Safeway Stores, Inc.*, 216 Cal. App. 4th 864, 872 (2013); *Armenta v. Osmose, Inc.*, 135 Cal.App.4th 314, 324 (2005) (“While the averaging method utilized by the federal courts to assess whether a minimum wage violation has occurred may be appropriate when considered in light of federal public policy, it does not advance the policies underlying California's minimum wage law and regulations.”). Defendant also engaged in a pattern and practice of sometimes only paying the aggrieved employees for overtime hours worked that were authorized in advance, but failed to pay for overtime hours unless the hours worked were authorized in advance. The above-described conduct violated Labor Code §§ 510, 558, 1197, 1197.1, and 1198.

Separate and independent of the foregoing, when calculating an employee's regular rate, California and federal courts, with limited exceptions, look to the federal Fair Labor Standards Act (“FLSA”). *Huntington Mem'l Hosp. v. Sup. Ct.*, 131 Cal. App. 4th 893, 902 (2005). Under the FLSA, the regular rate of pay includes all forms of remuneration. *See* 29 U.S.C. § 207(e); *Huntington Mem'l*, 131 Cal. App. 4th at 90 (holding that shift differential must be included in the regular rate when calculating and paying overtime).

“Under [29 C.F.R.] § 778.224(a), a payment may not be excluded from the regular rate of pay pursuant to § 207(e)(2) if it is generally understood as compensation for work, even though the payment is not tied to specific hours worked by an employee.” *Id.* (emphasis added). The Ninth Circuit summarized in *Flores v. City of San Gabriel*, 824 F.3d 890, 895 (9th Cir. 2016) that “the question of whether a particular payment falls within the ‘other similar payments’ clause does not turn on whether the payment is tied to an hourly wage, but instead turns on whether the payment is a form of compensation for performing work.” *Id.* Nor as the Ninth Circuit explained need compensation paid be measured by the number of hours worked. *Id.* (explaining “that the key point is whether payment is ‘compensation for work’” and that “even if payments to employees are not measured by the number of hours spent at work, that fact does not qualify for them for exclusion under section 207(e)(2).” *Id.* (citing *Local 246 Utility Workers Union of America v. Southern California Edison, Co.*, 83 F.3d 295).

Here, Defendant paid Plaintiff and at least some of the aggrieved employees a non-discretionary bonuses, incentive payment/pay, shift differential, hazard pay, piece rate compensation, flat sum production bonuses, non-discretionary production bonus, attendance bonus, any other form of non-discretionary bonus and/or incentive payment, but failed to include such

compensation when calculating and paying overtime wages.

Instead of including all required compensation when calculating and paying overtime wages (including double time wages when the aggrieved employees worked shifts in excess of 12 hours), Defendant instead improperly paid overtime wages only at one and one-half times Plaintiff and the aggrieved employees' regular hourly base rate instead of at one and one-half time their regular rate of pay. In other words, Defendant improperly failed to include non-discretionary bonus, incentive payment/pay, shift differential, hazard pay, piece rate compensation, flat sum production bonus, non-discretionary production bonus, attendance bonus, any other form of non-discretionary bonus and/or incentive payment when calculating and paying overtime wages.

Based upon the foregoing, Defendant violated Labor Code § 510 with respect to Plaintiff and all aggrieved employees. The aggrieved employees who experienced a violation of Labor Code § 510 may pursue PAGA penalties under Labor Code § 558. Labor Code § 558 imposes a penalty upon employers "who violates, or causes to be violated...any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; and (3) Wages recovered pursuant to this section shall be paid to the affected employee." For purposes of Labor Code § 558, Plaintiff and the aggrieved employees seek only the penalties assessed as civil penalties pursuant to *ZB, N.A. v. Sup. Ct.* 8 Cal.5th 175 (2019) and not any underpaid wages.

Labor Code § 1197.1 authorizes employees who are paid less than the minimum fixed by an applicable state or local law, or by an order of the commission a civil penalty, restitution of wages, and liquidate damages as follows: (1) for any initial violation that is intentionally committed, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee is underpaid....[and] (2) [f]or each subsequent violation for the same specific offense, two hundred fifty dollars (\$250) for each underpaid employee for each pay period for which the employee is underpaid regardless of whether the initial violation is intentionally committed. As set forth above, Defendant failed to compensate Plaintiff and all aggrieved employees for all overtime wages at the proper rates. Accordingly, through PAGA and to the extent permitted by law, Plaintiff and all aggrieved employees are entitled to recover civil penalties for violations of Labor Code § 1197.1.

DEFENDANT VIOLATED AND CONTINUE TO VIOLATE LABOR CODE §§ 226.7, 512, 558, and 1198 AS WELL AS IWC WAGE ORDER NO. 4-2001 AND OTHER APPLICABLE WAGE ORDERS

Labor Code § 512 requires employers to provide employees with thirty (30) minute

uninterrupted and duty-free meal period within the first five (5) hours of work. Moreover, an employee who works more than ten (10) hours per day is entitled to receive a second thirty (30) minute uninterrupted and duty-free meal period. Pursuant to Labor Code § 512, an employer may not employ an employee for a work period of more than ten (10) hours, without providing the employee with a second meal period of not less than thirty (30) minutes. Moreover, the second meal period may not be waived if the total hours worked is more than twelve (12) hours.

Similarly, IWC Wage Order No. 4-2001 and other applicable wage orders prohibit an employer from “employ[ing] any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes. IWC Wage Order No. 4-2001 and other applicable wage orders further obligates employers to provide an employee to “pay the employee one (1) hour of pay at the employee’s regular rate of compensation for each workday that the meal period is not provided. Labor Code section 1198 prohibits an employer from requiring an employee to work beyond the “standard conditions of labor fixed by the commission...or under conditions of labor prohibited by the order.”

Under Labor Code § 512, if an employer maintains a uniform policy that does not authorize and permit the amount of meal time called for under the law (as specified in the applicable Wage Order), “it has violated the wage order and is liable.” The *Brinker* Court explained in the context of rest breaks that employer liability attaches from adopting an unlawful policy:

An employer is required to authorize and permit the amount of rest break time called for under the wage order for its industry. If it does not—if, for example, it adopts a uniform policy authorizing and permitting only one rest break for employees working a seven-hour shift when two are required—***it has violated the wage order and is liable.***

Brinker Rest. Corp. v. Sup. Ct., 53 Cal.4th 1004, 1033 (2012) [emphasis added].

Following *Brinker*, the Courts of Appeal have confirmed that liability for meal period violations arise when an employer adopts a uniform policy that fails to provide off-duty breaks. For example, in *Faulkinbury vs. Boyd & Associates, Inc.*, the California Court of Appeal explained: “the employer’s liability arises by adopting a uniform policy that violates the wage and hour laws. Whether or not the employee was able to take the required break goes to damages” *Ibid.* (citations omitted); *see also Benton v. Telecom Network Specialists, Inc.*, 220 Cal. App. 4th 701, 728 (2013).

In *Alberts v. Aurora Behavioral Health Care*, 241 Cal. App. 4th 388, 410 (2015), the California Court of Appeal emphatically held that a meal period policy must specifically advise employees of the proper timing of meal periods. In *Alberts*, the meal break policy stated employees are entitled to “an unpaid thirty-minute break for a meal period, approximately half way between

the beginning and ending of the employee's shift.” *Id.* The court, in accordance with *Brinker*, found the defendant’s meal break policy violated California law because it did not specify “that a meal break be provided during the first five hours of an employee’s shift.” *Id.* (citing *Brinker, supra*, 53 Cal.4th at 1048–1049.² The California Supreme Court recently held in *Donohue v. Amn Servs.*, 11 Cal.5th 58 that “time records showing noncompliant meal periods raise a rebuttable presumption of meal period violations.” In order to defeat this presumption, an employer must show not only that it advised employees “of his or her legal right to take a meal period and has knowingly and voluntarily decided not to take the meal period.” *Id.* at *33 This presumption applies not only to missed meal periods, but also “to records showing short and delayed meal periods as well.” *Id.* at *34.

Moreover, an employee who is not advised of their right to receive proper meal periods cannot waive their meal period. *Brinker* 53 Cal. 4th at 1033 (“No issue of waiver ever arises for a rest break that was required by law but never authorized; if a break is not authorized, an employee has no opportunity to decline to take it.”); *Bradley*, 211 Cal.App.4th at 1151 (“an employer is obligated to provide the rest and meal breaks, and if an employer does not do so, the fact that an employee did not take the break cannot reasonably be considered a waiver.”). Similarly, recently in *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504, 528 (2018), the California Court of Appeal affirmed a judgment in favor of employees who had signed first meal period waivers and did not take meal periods by the 5th hour when they were scheduled to work less than six (6) hours, but ultimately worked 6.01 hours or more. On these occasions, the employees did not know that they were entitled to take a timely meal period at the fifth hour and in fact were told that they were not. Accordingly, on such occasions the aggrieved employees were denied an opportunity to take a timely first meal period. *Carrington*, 30 Cal. App. 5th at 528.

Here, Defendant failed to authorize and permit Plaintiff and the other aggrieved employees to receive lawful meal periods, failed to advise them of their right to such meal periods, failed to authorize and permit them to take timely first meal periods, and failed to authorize and permit employees to take 30-minute meal periods on occasion. Defendant’s meal period policies and practices also disincentivized and discouraged Plaintiff and the other aggrieved employees from taking timely first meal periods within the first five (5) hours of their shift.

Defendant also failed to authorize and permit Plaintiff and the other aggrieved employees

² Assuming *arguendo* Defendants had a compliant meal period—which it did not—even a formal written policy cannot save an employer where an employer or its supervisory employees interfered with meal periods or created a culture which makes taking a 30-minute break during the day infeasible. (*Chand v. Burlington Coat Factory of California, LLC*, No. CV F 13-2008 LJO JLT, 2014 WL 726837, at *5 (E.D. Cal. Feb. 24, 2014) (“The wage orders and governing statute do not countenance an employer's exerting coercion against the taking of, creating incentives to forego, or otherwise encouraging the skipping of legally protected breaks.”) (citing *Brinker*, 53 Cal.4th at 1040); accord *Boyd v. Bank of Am. Corp.* C.D. Cal. May 6, 2015) No. SA CV 13–0056–DOC, 2015 WL 3650207, at *31; *Ricaldai v. U.S. Investigations Servs. LLC* (C.D. Cal. 2012) 878 F. Supp. 2d 1038, 1045; *Campbell v. Vitran Express Inc.* (C.D. Cal. Nov. 12, 2015) No. CV 11-5029 RGK (SHX), 2015 WL 7176110, at *8.)

to receive lawful second meal periods when they worked more shifts in excess of ten (10) hours per day. This includes, but is not limited to, failing to advise Plaintiff and the other aggrieved employees of their right to take a second thirty (30) meal period on such shifts and/or that they could not waive their second meal period if they worked a shift in excess of (12) hours.

Defendant's meal period policies and practices disincentivized and discouraged Plaintiff and the other aggrieved employees from taking lawful meal periods due to issues related to understaffing, customer demands, and job assignments. As a result of Defendant's understaffing practices and policies, it was often not possible for Plaintiff and the other aggrieved employees to take meal periods and/or timely meal periods within the first five (5) hours of their shift. This includes, but is not limited to on graveyard shifts. Notably, although Defendant's meal period policies and practices are not compliant, it also pressured and coerced employees to forgo meal periods and made it difficult for employees to take lawful duty-free meal periods. Defendant's understaffing policies and practices also pressured, coerced, and forced employees to take untimely first meal periods and/or forced to forgo first and/or second meal periods (including, but not limited to on shifts worked in excess of 12 hours).

Defendant further violated Labor Code § 512 by failing to authorize timely meal periods within the first (5) hours of an employees' shift. Defendant's maintained a policy and practice of requiring Plaintiff and the aggrieved employees to waive first meal periods when working shifts of less than six (6) hours. In doing so, Defendant pressured and disincentivized employees from taking meal periods within the first five (5) hours of their shift. As employees did not know in advance whether or not they would work more than six (6) hours and were not permitted to take meal periods and/or discouraged from taking meal periods on shifts of less than six hours, Plaintiff and the Meal Period Aggrieved Employees were not offered the opportunity to take a meal period within the first five (5) hours of the their shift. *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504, 528 (2018). Neither Plaintiff nor the aggrieved employees were given the opportunity to take a timely first meal period because they were not scheduled to be eligible to receive a meal period and did not know they were eligible for a timely period until after working more than six (6) hours at which point it was not possible for them to take a meal period within the first five (5) hours. Simply put, it's not possible for an employee to decide whether or not to take a timely first meal period when Defendant schedules them for a shift of six (6) hours or less such that they wouldn't have even known they were eligible for a meal period at the 5th hour.

Moreover, Defendant also actively interfered with Plaintiff and the other aggrieved employees' right to receive lawful meal periods including, but not limited to their policy and practice to prohibiting the aggrieved employees from leaving the premises for a meal period. The aggrieved employees' meal periods were also interrupted by their supervisors and other managers, customers, and/or by people asking them questions and by Defendant and its supervisory/managerial employees requiring and/or suffering or permitting them to perform work

while they were supposed to be on their meal period (including when they were clocked-out).

Defendant also failed to provide uninterrupted meal periods of at least thirty (30) minutes in length, including but not limited due to its policy and practice of rounding the time entries associated with meal periods, understaffing conditions, and the job demands of aggrieved employees. Such practices sometimes made it impossible for the aggrieved employees to take thirty (30) minute uninterrupted meal periods. Defendant also engaged in a common pattern and practice of rounding meal period punches in violation of Labor Code sections 1194, 510, 512, and 226.7. As the California Supreme Court held in *Donohue v. Amn Servs.*, 11 Cal.5th 58, 81 (2021) employers cannot engage in the practice of rounding time punches—that is, adjusting the hours that an employee has actually worked to the nearest present time increment—in the meal period context. Here, as in *Donohue*, Defendant engaged in a common policy and practice of rounding Plaintiff and the other aggrieved employees time punches such that they did not receive minimum wages for all hours worked, overtime wages for the improperly rounded time punches, did not receive meal period premiums for rounded time punches, and/or proper and lengthy meal periods. As such, Plaintiff alleges that Defendant violated Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, and IWC Wage Order No. 4-2001 when it engaged in such policies and practices.

Defendant also required Plaintiff and all aggrieved employees to go through security checks, bag checks, and/or temperature checks and wellness checks during their breaks when entering and leaving the premises including if they attempted to go outside during a meal/rest period. As a result, Defendant deprived Plaintiff and the other aggrieved employees of lawful uninterrupted meal periods on a regular and consistent basis. When Plaintiff and the other aggrieved employees attempted to get food during their meal periods, they were required to go through security and bag checks while leaving the premises and reentering such that they were never relieved of their job duties. Such conduct is unlawful and requires an employer to provide both a meal period premium and to pay the employee for the wages associated with unlawful search. Through Defendant's policy and practice of conducting security and bag searches on employees who were on breaks, Defendant violated Labor Code §§ 226.7, and 1198.

Defendant also adopted an automatic deduction policy and practice whereby it automatically deducted thirty (30) minutes' worth of an employee's pay regardless of whether or not the employee took a meal period and/or the full amount of their meal period. As a result of Defendant's policy and practice of automatically deducting thirty (30) minutes' worth of pay regardless of whether or not the aggrieved employee took a meal period and/or the length of the meal period, Defendant regularly failed to pay Plaintiff and all aggrieved employees for all hours worked in violation of Labor Code § 1194 and 1197 including hours that qualified as overtime hours pursuant to IWC Wage Order No. 4-2001 and Labor Code § 510. Defendant's rounded time entries for Plaintiff and the other aggrieved employees were also unlawful and non-neutral because Defendant failed to

provide compensation for all hours worked well beyond 15 minutes and failed to round up in the employee's favor due, including, but not limited to, its off-the-clock policies even though such rounding is impermissible. As such, Defendant failed to pay Plaintiff wages for all hours worked (including overtime hours) and misclassified hours worked as regular hours as a result of its auto-deduction and unlawful time recording policies and procedures as discussed herein.

Defendant also impermissibly combined meal and rest periods and required employees to sign and maintained on-duty meal period agreements when the nature of the work did not prevent an employee from being relieved of all duties and/or the parties did not agree in writing to an on-duty meal period agreement, or the agreement did not provide that it could be revoked at any time. "An on-duty meal period is permitted only when the nature of the work prevents an employee from being relieved of all duty and the parties agree in writing to an on-duty paid meal break." *Lubin v. The Wackenhut Corp.*, 5 Cal. App. 5th 926, 932 (2016). The written agreement must include a provision allowing the employee to revoke it at any time. *Id.*

Defendant also failed to pay Plaintiff and the other aggrieved employees meal period premiums for each workday that the employees did not receive a compliant meal period and/or at the proper rate. Labor Code § 226.7 provides "an employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission ("IWC").

Similarly, IWC Wage Order No. 4-2001 and other applicable wage orders prohibit an employer from "employ[ing] any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes. IWC Wage Order No. 4-2001 and other applicable wage orders further obligate employers to provide an employee to "pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided. Accordingly, for each day that Plaintiff and all aggrieved employees did not receive compliant meal periods, they are entitled to receive meal period premiums pursuant to Labor Code § 226.7 and IWC Wage Order No. 4-2001 and other applicable wage orders. Unfortunately, Plaintiff and the other aggrieved employees were not compensated with one (1) hours' worth of pay at their regular rate of compensation when they were not provided with a compliant meal period in violation of Labor Code § 226.7 and IWC Wage Order No. 7-2001 and other applicable wage orders.

Further, on the rare occasion if any that Defendant paid meal period premiums to the aggrieved employees, Defendant improperly paid the premium at the employee's hourly base rate instead of at their regular rate resulting in the underpayment of meal period premiums. Plaintiff contends that Defendant's policies and practices as alleged above violated Labor Code § 226.7 and seeks penalties pursuant to PAGA related thereto consistent with the California Supreme Court's decision in *Ferra v. Loews Hollywood Hotel, LLC*, 11 Cal. 5th 858, 878 (2021) ("we hold that the term 'regular rate of compensation' in section 226.7(c) has the same meaning of regular rate of pay'

in section 510(a) and encompasses not only hourly wages, but all nondiscretionary payments for work performed by the employee.”).

Based upon the foregoing, Defendants violated Labor Code §§ 226.7, 512, 558, 117, 1174.5, and 1198 as well as IWC Wage Order No. 4-2001 and other applicable wage orders with respect to Plaintiff and the aggrieved employees. As such, Plaintiff and the aggrieved employees are entitled to penalties under Labor Code § 558. Labor Code § 558 imposes a penalty upon employers “who violates, or causes to be violated...any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; and (3) Wages recovered pursuant to this section shall be paid to the affected employee.” For purposes of Labor Code § 558, Plaintiff and the aggrieved employees seek only the penalties assessed as civil penalties pursuant to *ZB, N.A. v. Sup. Ct.* 8 Cal.5th 175 (2019) and not any underpaid wages.

DEFENDANT VIOLATED AND CONTINUES TO VIOLATE LABOR CODE § 226.7 AND IWC WAGE ORDER NO. 4-2001 AND OTHER APPLICABLE WAGE ORDERS

Labor Code § 226.7 provides “an employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission (“IWC”). Under IWC Wage Order No. 4-2001, an employer must authorize and permit all employees to take ten (10) minute duty free rest periods for every major fraction of four hours worked. *See Augustus v. ABM Security Services, Inc.* (2016) 2 Cal. 5th 257, 269 (concluding that “during rest periods employers must relieve employees of all duties and relinquish control over how employees spend their time.”).

The *Brinker* Court explained in the context of rest breaks that employer liability attaches from adopting an unlawful policy:

An employer is required to authorize and permit the amount of rest break time called for under the wage order for its industry. If it does not—if, for example, it adopts a uniform policy authorizing and permitting only one rest break for employees working a seven-hour shift when two are required—***it has violated the wage order and is liable.***

Brinker Rest. Corp. v. Sup. Ct., 53 Cal.4th 1004, 1033 (2012) (emphasis added).

Pursuant to Labor Code § 226.7 and IWC Wage Order No. 4-2001 and other applicable wage orders, Defendant failed to provide Rest Period Aggrieved Employees with rest periods of not

less than ten (10) minutes for every major fraction of four (4) hours worked. Instead, Defendant regularly and consistently required at least some of the aggrieved employees to forgo rest periods and/or required them to remain on the premises and failed to relieve them of all duties. This includes, but is not limited to failing to advise Plaintiff and the aggrieved employees of their right to take a second rest period when they worked shifts in excess of six (6) hours, but less than eight (8) hours and of their right to a third rest period when they worked more than ten (10) hours. Instead, Defendant regularly and consistently required aggrieved employees to forgo a second rest period when they worked shifts in excess of six (6) hours—including, but not limited to when the aggrieved employees worked shifts in excess of six (6) hours, but less than eight (8) hours—and failed to authorize and permit employees who worked more than ten (10) hours a third rest period. Further on at least some occasions, Defendant failed to provide any rest periods to the aggrieved employees whatsoever including on shifts of all lengths. This includes, but is not limited to, due to Defendant failure to advise employees of their right to rest periods on shifts of any length.

Instead, Defendant's advised Plaintiff and the other aggrieved employees that they were not allowed to leave the premises during their rest periods (on all shifts, but also including on graveyard shifts). Defendant also did not permit Plaintiff or the other aggrieved employees to leave the premises during rest periods as required by Labor Code § 226.7 and Wage Order No. 4-2001. *Augustus*, 2 Cal. 5th at 269

Defendant also required Plaintiff and all aggrieved employees to go through security checks, bag checks, and/or temperature checks and wellness checks during their breaks when entering and leaving the premises including if they attempted to go outside during a meal/rest period. As a result, Defendant deprived Plaintiff and the other aggrieved employees of lawful uninterrupted rest periods on a regular and consistent basis. When Plaintiff and the other aggrieved employees attempted to get food during their rest periods, they were required to go through security and bag checks while leaving the premises and reentering such that they were never relieved of their job duties. Such conduct is unlawful and requires an employer to provide both a rest period premium and to pay the employee for the wages associated with unlawful search. Through Defendant's policy and practice of conducting security and bag searches on employees who were on breaks, Defendant violated Labor Code §§ 226.7, and 1198.

Moreover, the aggrieved employees were denied rest periods as a result of Defendant's understaffing practices and policies. Notably, although Defendant's rest period policies and practices are not compliant, they also pressured and coerced employees to forgo rest periods and made it difficult for employees to take lawful duty-free rest periods both due to their understaffing policies and practices and otherwise.

Defendant also impermissibly combined meal and rest periods. Due to Defendant's policy and practice of requiring the aggrieved employees to clock-out for a combined meal and rest

period, the aggrieved employees did not receive paid rest periods as required by IWC Wage Order No. 4-2001 and Labor Code § 226.7. Even an employer who maintains an otherwise compliant rest period policy, “reminded their employees of their availability—and the importance—of taking breaks on a daily basis, and even went so far as to conduct regular audits to ensure that employees were being offered rest breaks” will still be liable for rest period violations if the employees were provided non-compliant unpaid rest periods. *Amaro v. Gerawan Farming, Inc.*, 2016 U.S. Dist. LEXIS 66842 (E.D. Cal. May 19, 2016) *aff’d* *Amaro v. Gerawan*, 2016 U.S. Dist. LEXIS 112540, 2016 WL 4440966, at *11 (E.D. Cal. Aug. 22, 2016); *rev. denied* by 9th Cir. Case No. 0:16-23f-80120 (9th Cir. Nov. 16, 2016); *Aldapa v. Fowler Packing Co.* (E.D. Cal. 2018) 323 F.R.D. 316, 338 (“if plaintiffs are correct in contending that defendants’ policy in this regard was in violation of the requirements of California law, it would also be undisputed that defendants failed to provide any “rest or recovery period[s] in accordance with a state law” from March 2011 to November 2013, because class members were unable to take a separately compensated rest period even if they sought to do so.”).

Further, on the rare occasion if any that Defendant paid rest period premiums, Defendant improperly paid the premium at the employee’s hourly base rate instead of at their regular rate. Plaintiff contends that Defendant’s policies and practices as alleged above violated Labor Code § 226.7 and seeks penalties pursuant to PAGA related thereto consistent with the California Supreme Court’s decision in *Ferra v. Loews Hollywood Hotel, LLC*, 11 Cal. 5th 858, 878 (2021) (“we hold that the term ‘regular rate of compensation’ in section 226.7(c) has the same meaning of regular rate of pay’ in section 510(a) and encompasses not only hourly wages, but all nondiscretionary payments for work performed by the employee.”).

Based upon the foregoing, Defendant violated Labor Code § 226.7 and 1198 as well as IWC Wage Order No. 4-2001 and other applicable wage orders with respect to the aggrieved employees. Employees, including Plaintiff and the other aggrieved employees who experienced a violation of Labor Code § 226.7 may pursue PAGA penalties under Labor Code § 558. Labor Code § 558 imposes a penalty upon employers “who violates, or causes to be violated...any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; and (3) Wages recovered pursuant to this section shall be paid to the affected employee.” For purposes of Labor Code § 558, Plaintiff and the aggrieved employees seek only the penalties assessed as civil penalties pursuant to *ZB, N.A. v. Sup. Ct.* 8 Cal.5th 175 (2019) and not any underpaid wages.

DEFENDANT VIOLATED AND CONTINUE TO VIOLATE LABOR CODE §§ 226(a),

226(e) and 226.3

As to Plaintiff and all aggrieved employees, Defendant also failed to provide accurate itemized wage statements in accordance with Labor Code § 226. Labor Code § 226 obligates employers, semi-monthly or at the time of each payment to furnish an itemized wage statement in writing showing:

- (1) gross wages earned;
- (2) total hours worked by the employee;
- (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece rate;
- (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item;
- (5) net wages earned;
- (6) the inclusive dates of the period for which the employee is paid;
- (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number;
- (8) the name and address of the legal entity that is the employer...;
- (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee...

Due to Defendant's failure to pay Plaintiff and all aggrieved employees all minimum wages, overtime wages (including doubletime wages), meal period premiums, and rest period premiums owed, the wage statements issued by Defendant do not indicate the correct amount of gross wages earned, the total hours worked, the net wages earned, all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate. Thus, Plaintiff is an aggrieved employee within the meaning of PAGA and Defendant have violated Labor Code §226(a)(1), (2), (5), and (9) with respect to Plaintiff and all aggrieved employees. Plaintiff also alleges that Defendant issued some aggrieved employees some itemized wages statements, including but not limited to paper and/or final wage statements, that did not include the name of the employer, the address of the employer, all deductions, the number of piece rate units earned and any applicable piece rate if the employee is paid on a piece rate, the inclusive dates of the period for which the employee is paid (omitted start dates, end dates, and/or both start dates and end dates) the name of the employee and only the last four digits of the employees or the last four digits of the employees social security number (left-off and/or all nine digits of the employees social security number) as well as the non-derivative information for the amount of gross wages earned, the total hours worked, the net wages earned, all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate. This conduct violated Labor Code § 226(a)(1-9).

In addition, the wage statements issued to Plaintiff and all aggrieved employees did not include the actual total hours worked by the employee in violation of Labor Code § 226(a)(2). As

previously explained, in express violation of Section 7(A)(3) of IWC Wage Order No. 7-2001 which requires employers to record “when the employee begins and ends each work period.” Instead, Defendant failed to report the time that it knew that Plaintiff and the other aggrieved employees were working while off-the-clock as explained in detail above. As a result, the wage statements issued by Defendant did not include the correct amount of total hours worked.

The wage statements issued to Plaintiff and the other aggrieved employees also did not include the address of the legal entity that is the employer. For instance, for the pay period of May 15, 2023 to May 21, 2023, Defendant issued an itemized wage statement to Plaintiff that did not contain any address for the employer. Plaintiff alleges that the wage statements that Defendant issued to the other aggrieved employees during the PAGA period also did not contain the address of the legal entity that is the employer. Such conduct violates Labor Code § 226(a)(8). In addition, since Defendant is a temporary services employer as defined in Labor Code section 201.3, its wage statements must also contain the rate of pay and total hours worked for each temporary services assignment in accordance with Labor Code § 226(a)(9). However, some of the wage statements issued by Defendants to the aggrieved employees during the PAGA period did not include the rate of pay and the total hours worked for each temporary services assignment as required by Labor Code § 226(a)(9).

Plaintiff and the aggrieved employees will prevail on their claim for PAGA penalties under Labor Code § 226(a). *See Lopez v. Friant & Assocs., LLC*, 15 Cal.App.5th 773, 788 (2017) (“hold[ing] a plaintiff seeking civil penalties under PAGA for a violation of Labor Code section 226(a) does not have to satisfy the ‘injury’ and ‘knowing and intentional’ requirements of section 226(e)(1).”); *Raines v. Coastal Pacific Food Distributors, Inc.*, 23 Cal.App.5th 667, 679 (2018) (finding that the “requirements for a section 226(e) claim do not apply to a PAGA claim for a violation of section 226(a).”).

There is currently a split of authority regarding which PAGA penalties apply to violations of Labor Code § 226(a). *Gunther v. Alaska Airlines, Inc.*, 72 Cal. App. 5th 334, 355 (2021) (holding that such violations give rise to a 2699.3 penalty) *cf.*; *Raines v. Coastal Pacific Food Distributors, Inc.*, 23 Cal.App.5th 667, 675 (2018) (holding that such violations give rise to a Labor Code § 226.3 penalty). Labor Code § 226.3 provides that “[a]ny employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial violation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage deduction statement or fails to keep the required in subdivision (a) of Section 226.” As explained in detail above, Defendant failed to provide Plaintiff and the other aggrieved employees with accurate itemized wage statements. Accordingly, to the extent it applies, Plaintiff and the other aggrieved employees may also recover Labor Code § 226.3 or 2699 penalties for Defendant’s violations of Labor Code § 226(a).

DEFENDANT VIOLATED AND CONTINUE TO VIOLATE LABOR CODE § 200-204, 210 and 1198 BY FAILING TO PROVIDE REPORTING TIME PAY

IWC Wage Order No. 4-2001, § 5 provides that “[e]ach workday that an employee is required to report to the work site and does report, but is not put to work or is furnished less than half of his/her usual or scheduled day’s work, the employer shall pay him/her for half the usual or scheduled day’s work, but in no event for less than two (2) hours nor more than four (4) hours at the employee’s regular rate of pay, which shall not be less than the minimum wage.”

Labor Code § 200 provides that “Wages includes all amounts for labor performed by employees of every description, whether the amount is fixed or ascertained by the standard of time, task, piece, commission basis, or other method of calculation.” Moreover, Labor Code § 1198 provides that the maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.

On several occasions, Plaintiff and the other aggrieved employees were required to report to work and would stay for approximately two (2) hours and would be sent home for lack of work despite being scheduled to work eight (8) hours or more. On these occasions, Defendant failed to pay Plaintiff and the other aggrieved employees reporting time pay consistent with IWC Wage Order No. 4-2001 and Labor Code §§ 200 and 200-204, 210, and 1198. The text and information about Labor Code sections 201-204 and 210 can be found later in this letter and are hereby incorporated by reference for brevity purposes.

DEFENDANT VIOLATED AND CONTINUES TO VIOLATE LABOR CODE §§ 246 and 246.5

Labor Code § 246 requires employer to calculate sick leave pay based upon one of the following formulas:

- (1) Paid sick time for nonexempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek.
- (2) Paid sick time for nonexempt employees shall be calculated by dividing the employee’s total wages, not including overtime premium pay, by the employee’s total hours worked in the full pay periods of the prior 90 days of employment.
- (3) Paid sick time for exempt employees shall be calculated in the same manner as the employer calculates wages for other forms of paid leave time.

Lab. Code § 246.

Throughout Plaintiff and the aggrieved employees' employment, Defendant failed to include non-discretionary bonuses, incentive payment/pay, shift differentials, hazard pay, piece rate compensation, flat sum production bonuses, non-discretionary production bonuses, attendance bonuses, any other form of non-discretionary bonus and/or incentive payment when calculating and paying sick pay. *See Wood v. Kaiser Found. Hosps.*, 88 Cal. App. 5th 742, 759 (2023), as modified (Mar. 23, 2023)

Defendant also refused to allow at least some of their employees to use their protected sick leave on some occasions during the PAGA period in violation of Labor Code §§ 246 and 246.5. Defendant also on some occasions failed to include information about employees' accrued and used sick pay as well as the balance of their sick pay on the aggrieved employee's wage statement.

Further, as a result when Plaintiff and the Late Payment Aggrieved Employees' employment ended, they left their employment without having received compensation for all of their sick pay that they were owed under Labor Code § 246 and resulting in a violation of Labor Code §§ 201-203. As a result of Defendant's underpayment of sick pay, Plaintiff and the other Late Payment Aggrieved Employees experienced a violation of Labor Code §§ 201-202 upon separation from Defendant. *See Powell v. Walmart Inc.*, No. 3:20-cv-2412-BEN-LL, 2021 U.S. Dist. LEXIS 20777, at *6 (S.D. Cal. Feb. 2, 2021) (denying a motion to dismiss claims under Labor Code section 203 based upon the employer's alleged failure to include incentive pay when calculating and paying sick pay); *accord Flores v. Dart Container Corp.*, No. 2:19-cv-00083 WBS EFB, 2020 U.S. Dist. LEXIS 93524, at *7 (E.D. Cal. May 27, 2020).

DEFENDANT VIOLATED AND CONTINUE TO VIOLATE LABOR CODE §§ 204 and 210

Labor Code § 204 expressly requires that "[a]ll wages...earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays." Pursuant to Labor Code § 204(a), "Labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month. Labor Code § 204 also expressly requires that "[a]ll wages...earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays." Defendant pays Plaintiff and all aggrieved employees on a weekly basis.

With respect to Plaintiff and all aggrieved employees, for part of the PAGA period,

Defendant failed to maintain regular pay dates as required by Labor Code § 204.

Due to Defendant's failure to pay Plaintiff and all aggrieved employees all minimum wages, all overtime wages (including doubletime wages), meal period premiums, rest period premiums, sick pay wages (including at the proper rate) and reporting time pay for the reasons discussed above, Defendant failed to timely pay Plaintiff and all aggrieved employees all wages owed within the time constraints of Labor Code § 204 on a regular and consistent basis.

Labor Code § 210 provides that "in addition to, an entirely independent and apart from, any other penalty provided in this article, every person who fails to pay the wages of each employee as provided in Sections...204...shall be subject to a civil penalty as follows: (1) For any initial violation, one hundred dollars (\$100) for each failure to pay each employee; (2) For each subsequent violation, or any willful or intentional violation, two hundred dollars (\$200) for each failure to pay each employee, plus 25% of the amount unlawfully withheld." As a result of the faulty compensation policies and practices described in detail above, Plaintiff and the other aggrieved employees are entitled to recover penalties under Labor Code § 210 through PAGA. See *Amaral v. Cintas Corp. No. 2*, 163 Cal.App.4th 1157, 1209 (2008) (affirming an award of Labor Code section 210 penalties under PAGA due to the employer's failure to timely pay wages at the proper rate in accordance with a local wage ordinance).

DEFENDANT VIOLATED AND CONTINUES TO VIOLATE LABOR CODE §§ 201-203

Under Labor Code §§ 201-202, an employer must provide an employee wages at the time or discharge or within up to seventy-two (72) hours of their resignation. Labor Code § 203 provides "if an employer willfully fails to pay . . . any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty. . ." for up to 30 days. Lab. Code § 203; *Mamika v. Barca*, (1998) 68 Cal.App.4th 487, 492.

In addition, Labor Code § 256 provides that the Labor Commissioner "shall impose a civil penalty in an amount not exceeding 30 days' pay as waiting time under the terms of Section 203. The California Supreme Court and California Court of Appeal have both specifically recognized the ability of an aggrieved employee to recover civil penalties under Labor Code § 256 for a defendant's willful violation of Labor Code § 201 and 202 under PAGA. In *Iskanian v. CLS Transportation Los Angeles, LLC*, 59 Cal.4th 348, 381 (2014), the California Supreme Court acknowledged that PAGA penalties for the untimely payment of wages included the 30 days of pay as waiting time pursuant to Labor Code § 256. See also *Esparza v. KS Industries, L.P.* 13 Cal.App.5th 1228, 1242 (2017) (explaining that the Labor Code § 256 penalties only exist if the employer's failure to timely pay wages upon separation was willful is a "civil penalty" "recovered or imposed by the Labor Commissioner.").

Defendant failed to Plaintiff and the other Late Payment Aggrieved Employees any wages whatsoever within the time constraints of Labor Code section 201-202. Moreover, as described in detail above, Defendant failed to pay aggrieved employees whose employment concluded all wages owed, including but not limited to minimum wages, overtime wages (including doubletime wages), meal period premiums, rest period premiums, vacation wages, and sick pay (including at the correct rates) within time constraints proscribed in Labor Code §§ 201-202. Thus, as result of Defendant's faulty policies described above, the Late Payment Aggrieved Employees left their employment with Defendant without being compensated for each and every hour worked at the appropriate rate in violation of Labor Code §§ 201, 202, 203, and 256.

DEFENDANT VIOLATED AND CONTINUES TO VIOLATE LABOR CODE §§ 1174 and 1174.5

Labor Code § 1174 provides that each employer shall keep "payroll records showing the hours worked daily by and the wages paid to...employees employed at...establishments." An employer who fails to maintain the records proscribed by Labor Code § 1174 is subject to a civil penalty of five hundred (\$500) dollars under Labor Code § 1174.5.

As previously explained, Defendant failed to maintain accurate records of the total hours worked by employees or of the time associated with off-the-clock work as described above and failed to record time that employees were subject to Defendant's control and required to work during their meal/rest periods on a regular and consistent basis in express violation of Section 7(A)(3) of IWC Wage Order No. 4-2001 which requires employers to record "when the employee begins and ends **each work period**.":

7. RECORDS

- (A) Every employer shall keep accurate information with respect to each employee including the following:
- (1) Full name, home address, occupation and social security number.
 - (2) Birth date, if under 18 years, and designation as a minor.
 - (3) Time records showing when the employee begins and ends each work period. Meal periods, split shift intervals and total daily hours worked shall also be recorded. Meal periods during which operations cease and authorized rest periods need not be recorded.

Due to Defendant's regular and consistent practice of not recording all hours worked, including the time associated with off-the-clock work and as described above, the time records maintained by Defendant do not show the actual hours worked daily by Plaintiff and the aggrieved employees. This caused Plaintiff and the other aggrieved employees time records not to actually show the total hours worked daily by each of them throughout the PAGA period in violation of Labor Code §§ 1174 and 1174.5.

Plaintiff seeks both PAGA penalties under Labor Code § 1174.5 for willful violations of Labor Code § 1174 since Defendant, but also separate PAGA penalties pursuant to section 2699.3 for non-willful violations since no default is proscribed for such violations. Labor Code § 2699.3

(identifying a violation of Labor Code section 1174 subdivisions (c) and (d) as non-curable PAGA claims).

DEFENDANT VIOLATED AND CONTINUES TO VIOLATE LABOR CODE § 2802

Labor Code §2802 provides that “[a]n 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, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful.”

During at least part of the PAGA period, Defendant required and/or expected aggrieved employees to use their own tools and implements in the discharge of their job duties. By failing to provide Plaintiff and the aggrieved employees with masks, gloves, scissors, water, and other safety equipment, Defendant caused Plaintiff and the other aggrieved employees to make expenditures and incur losses in the direct consequence of the discharge of their job duties. Moreover, Defendant also expected Plaintiff and the other aggrieved employees to use their personal vehicles for business purposes and for which they did not receive reimbursement. This includes, but is not limited, to requiring Plaintiff and other aggrieved employees with trucks to move the porta potties used by the employees. During at least part of the PAGA period, Defendant also required some of the aggrieved employees to utilize their cell phones in the discharge of their job duties for which they did not receive compensation. Defendant’s conduct in requiring some of the aggrieved employees to engage in the above described activities caused them to incur losses as a direct consequence of their duties. Although some of the aggrieved employees were regularly required to and/or ordered/directed to use their own personal communication devices for work purposes (including cell phones and other devices), those aggrieved employees were not provided with any reimbursement for the use of their personal cell phones. Based upon information and belief, some of the aggrieved employees were specifically directed by Defendant and/or its supervisory employees to utilize their cell phones in the discharge of their job duties for which they did not receive compensation. Defendant’s conduct in requiring some of the aggrieved employees to engage in the above described activities caused them to incur losses as a direct consequence of their duties.

Defendant required Plaintiff and the other aggrieved employees to wear distinctive uniforms including company shirts among other items and/or a specific color scheme as well as other items such as shoes. However, Defendant failed to provide expense reimbursements either for the uniform themselves and/or the expenses associated with maintaining such uniform (including, but not limited to laundry detergent and/or dry cleaning).

DEFENDANT VIOLATED AND CONTINUES TO VIOLATE LABOR CODE § 1198

IWC Wage Order No. 4-2001, Sections 14(A) and (B) provide that “[a]ll working

employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats.” Section 14(B) further provides: “When employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties.”

An employee can bring a claim under PAGA for failure to provide suitable seating because the suitable seating requirements of IWC Wage Order No. 4-2001 qualify as standard conditions of labor for employees under Labor Code § 1198. *Bright v. 99¢ Only Stores*, 189 Cal. App. 4th 1472, 1475 (2010) at 1476 (holding that violations of the suitable seating provisions of IWC Wage Order No. 4-2001 “are violations of section 1198 and civil penalties under section 2699, subdivision (f) are available.”). Since *Bright*, the California Supreme Court has provided further instructions concerning the interpretation of the suitable seating requirements of IWC Wage Order No. 4-2001. Specifically, in *Kilby v. CVS Pharmacy, Inc.*, 63 Cal. 4th 1 (2016), the California Supreme Court found that “[i]f the tasks being performed at a given location reasonably permit sitting, and provision of a seat would not interfere with performance of any other tasks that may require standing, a seat is called for.” *Id.* at 8. Importantly, in reaching its decision, the Court explained that an employee who works in a store and spends most of his day stocking shelves, but also “occasionally assists at a cash register during busy periods” may be entitled to a seat during the portion of the day spent cashiering so long as provision of a seat would not interfere with performance of standing tasks. *Id.*

Defendant failed to provide aggrieved employees with suitable seats when they were not engaged in the active duties of their employment and the nature of the work did not require standing. Defendant, for at least part of the PAGA period, failed to provide an adequate number of suitable seats in reasonable proximity to the work area and did not permit the aggrieved employees to use such seats when it does not interfere with the performance of their duties. As such, Defendant violated Labor Code § 1198.

DEFENDANT VIOLATED AND CONTINUES TO VIOLATE LABOR CODE § 206.5

Labor Code § 206.5 states that:

(a) An employer shall not require the execution of a release of a claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made. A release required or executed in violation of the provisions of this section shall be null and void as between the employer and the employee. Violation of this section by the employer is a misdemeanor.

(b) For purposes of this section, execution of a release includes requiring an employee, as a

condition of being paid, to execute a statement of the hours he or she worked during a pay period which the employer knows to be false.

At times during the PAGA period, Defendant required aggrieved employees to execute a release as a condition of being paid in the form of a statement of hours that he or she worked during the pay period that Defendant and/or some of its agents knew to be false. Such conduct violated Labor Code § 206.5.

DEFENDANT VIOLATED AND CONTINUES TO VIOLATE LABOR CODE § 2810.5

Labor Code § 2810.5 requires an employer to provide, at the time of hiring, to each employee a “written notice, in the language the employer normally uses to communicate employment-related information to the employee, containing the following information:

- (A) The rate or rates of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, as applicable.
- (B) Allowances, if any, claimed as part of the minimum wage, including meal or lodging allowances.
- (C) The regular payday designated by the employer in accordance with the requirements of this code.
- (D) The name of the employer, including any “doing business as” names used by the employer.
- (E) The physical address of the employer’s main office or principal place of business, and a mailing address, if different.
- (F) The telephone number of the employer.
- (G) The name, address, and telephone number of the employer’s workers’ compensation insurance carrier.
- (H) That an employee: may accrue and use sick leave; has a right to request and use accrued paid sick leave; may not be terminated or retaliated against for using or requesting the use of accrued paid sick leave; and has the right to file a complaint against an employer who retaliates.
- (I) Any other information the Labor Commissioner deems material and necessary.

Defendant failed to provide at least some of the employees with the written notice required by Labor Code § 2810.5 and also failed to provide some of the required information. Defendant’s failure to provide such information varied from time to time, but based upon information and belief, included violations of all nine subdivisions of Labor Code § 2810.5(a).

CONCLUSION

Therefore, pursuant to Labor Code § 2699.3, we write to inform the Labor and Workforce

September 29, 2023
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Development Agency of information about Plaintiff's claims.

Very truly yours,

WINSTON LAW GROUP, P.C.

By: /s/ David S. Winston
DAVID S. WINSTON

Certified Mail #: 9589 0710 5270 1274 0528 08

Exhibit 3

WINSTON LAW GROUP, P.C.

1880 CENTURY PARK EAST SUITE 511 • LOS ANGELES, CA 90067 • (424) 288-4568

Attorneys

David Winston

*Indicates Of Counsel

Lior Barkodar*

May 3, 2024

Via Online Filing with the LWDA & by Certified Mail to Defendants

World Class Staffing Services LLC c/o Marie Davis/Luiza Manuelian¹
15760 Ventura Blvd, Ste 1200
Encino, CA 91436

Star HR LLC / Cogency Global Inc. as Registered Agent for Star HR LLC
1325 J St STE 1550
Sacramento, CA 95814

Re: Jose Rodriguez vs. World Class Staffing Services LLC, Star HR LLC, and/or other dbas of the above identified entities and/or other names by which these entities and/or businesses are known World Class Staffing Services LLC or Star HR LLC - California Labor Code §2699 Penalties – Amended PAGA Notice LWDA Case No. LWDA-CM-960590-23

Dear LWDA:

As you know, this firm represents Jose Rodriguez (“Plaintiff” or “Mr. Rodriguez”) and a proposed group of current and former employees working for Defendant World Class Staffing Services LLC—which Plaintiff contends includes Star HR LLC²—and/or other dbas of the above identified entities and/or other names by which these entities and/or businesses are known as World Class Staffing Services LLC or Star HR LLC (“Defendants”) in California for violations of California Labor Code §§ 200, 201, 202, 203, 204, 206.5, 210, 226, 226.3, 226.7, 246-248, 256, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198 (including seating), 1198.5, 1199, 2802, 2810.5, and IWC Wage Order No. 4-2001 and/or other applicable wage order.

- (1) all employees who were employed by World Class Staffing Services LLC or its predecessor, merged or related entities in California as an employee at any point from June 8, 2022 and continuing into the present. (“World Class Aggrieved Employees”);

¹ World Class Staffing Services LLC agreed to accept service of this Amended PAGA Notice through its Counsel Marie Davis and Luiza Manuelian of Landegger Verano & Davis, APC 15760 Ventura Blvd, Ste 1200, Encino, CA 91436. For the LWDA’s information, World Class Staffing Services LLC’s address is 11175 AZUSA CT SUITE 110 Rancho Cucamonga, CA 91730.

² Plaintiff also alleges that Star HR LLC is a single integrated enterprise and part of World Class Staffing Services LLC, an alter ego of World Class Staffing Services LLC, and/or a joint employer with World Class Staffing Services, LLC of the aggrieved employees.

- (2) all employees who were employed by Star HR, LLC or its predecessor, merged or related entities in California as an employee at any point from June 8, 2022 and continuing into the present. (“Star HR Aggrieved Employees”);

Collectively, aggrieved employee groups one (1) and two (2) may be referred to as the “Aggrieved Employees.”

- (3) all non-exempt, hourly employees or other similar position who were employed by World Class Staffing Services LLC or its predecessor, merged or related entities in California as an employee at any point from June 8, 2022 and continuing into the present. (“World Class Non-Exempt Aggrieved Employees”);
- (4) all non-exempt, hourly employees or other similar position who were employed by Star HR LLC or its predecessor, merged or related entities in California as an employee at any point from June 8, 2022 and continuing into the present. (“Star HR Non-Exempt Aggrieved Employees”);

Collectively, aggrieved employee groups three (3) and four (4) may be referred to as the “Non-Exempt Aggrieved Employees.”

These groups may all collectively be referred to herein as aggrieved employees and/or all aggrieved employees where appropriate. The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et seq.* We herein set forth some of the facts and theories of California Labor Code violations which we allege Defendants engaged in with respect to our client and all aggrieved employees.³ For all sections of the Labor Code referenced, Plaintiff alleges to cover and is hereby providing notice that this notice covers all theories under which claims under PAGA may be pursued, including but not limited to, as set forth in California’s primary rights doctrine with respect to all such claims.

Please be advised “that PAGA allows an ‘aggrieved employee’—a person affected by at least one Labor Code violation committed by an employer—to pursue penalties for all the Labor Code violations committed by that employer” regardless of whether or not that employee personally experienced all of the alleged violations. *Huff v. Securitas Sec. Servs. USA, Inc.*, 23 Cal. App. 5th 745, 751, 754, 761 (2018) (emphasis added).

³ See *Cardenas v. McLane FoodServices, Inc.* (C.D. Cal. Jul. 8, 2011) 796 F. Supp. 2d 1246, 1261; *Moua v. Int'l Bus. Machines Corp.* (N.D. Cal. Jan. 31, 2012) No. 5:10-CV-01070 EJD, 2012 WL 370570, at *5; *York v. Starbucks Corp.*, (C.D. Cal. Nov. 1, 2012) No. CV 08-07919 GAF PJWX, 2012 WL 10890355, at *4.

DEFENDANTS VIOLATED AND CONTINUE TO VIOLATE LABOR CODE §§ 1194, 1197, 1197.1, 1198 AND IWC WAGE ORDER NO. 4-2001 OR OTHER APPLICABLE WAGE ORDERS

Labor Code § 1197 states the California requirement that employees must be paid at least the minimum wage fixed by the Commission or by any applicable state or local law, and any payment of less than the minimum wage is unlawful. Similarly, Labor Code § 1194 entitles “any employee receiving less than the legal minimum wage...to recover in a civil action the unpaid balance of the full amount of this minimum wage.” IWC Wage Order 7-2001 and other applicable wage orders obligate employers to pay each employee minimum wages for all hours worked.

These minimum wage standards apply to each hour employees worked for which they were not paid. Therefore, an employer’s failure to pay for any particular hour of time worked by an employee is unlawful, even if averaging an employee’s total pay over all hours worked, paid or not, results in an average hourly wage above minimum wage. *Armenta*, 135 Cal.App.4th at 324.

In addition, Labor Code § 1198 provides that “the maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

Here, Defendants regularly and consistently failed to pay Plaintiff and the aggrieved employees for all hours worked including, but not limited to, due to its policy and practice of not paying the aggrieved employees for required and/or expected pre-shift activity, not paying employees for required and/or expected post-shift activity, impermissibly rounding employees’ time entries (including start times, time entries associated with meal periods, and stop times), failing to pay minimum wages in accordance with the local municipal wage ordinances in effect for their job assignments, automatically deducting the time associated with meal periods regardless of whether or not the aggrieved employee received a meal period, failing to compensate the aggrieved employees for security checks, for the time associated with bag checks, for the time associated with temperature/wellness checks, for the time associated with uniform maintenance, for the time associated with filling up gas and/or replacing gas consumed in the discharge of the employee’s job duties, picking up supplies, performing bank runs/deposits, due to Defendants’ communications with employees (whether by phone call, email, text message, or other method) while off-the-clock, failing to record all hours worked, for uncompensated time spent donning and doffing uniforms, and for the time spent working during interrupted meal and/or rest periods. *Barrett Business Services, Inc.*, 29 Cal. App. 5th 778, 808 (2018) (affirming the award of PAGA penalties for violations of Labor Code § 512 where employees meal periods were interrupted and remanding to the trial court the amount of PAGA penalties that should be awarded based upon the minimum wage violations associated with the same interrupted meal periods under Labor Code section 1194.). As such, Defendants failed to pay Plaintiff and all aggrieved employees for all hours worked in violation of

Labor Code §§ 1194, 1197, 1197.1, 1198 and IWC Wage Order No. 4-2001. Thus, Plaintiff is an aggrieved employee pursuant to PAGA.

Defendants are also legally responsible for ensuring the accuracy of its time records and cannot rely upon time records that it knew were false and/or statements by employees as the California Supreme Court explained. *Donohue v. Amn Servs.*, 11 Cal.5th 58, 81 (2021) (“It is the employer's duty to maintain accurate time records” and that the employer could not rely upon certifications from employees where the information provided to the employees was inaccurate and/or incomplete); *accord Feaver v. Kaiser Found. Health Plan, Inc.*, No. 15-cv-00890-EMC, 2016 U.S. Dist. LEXIS 9778, at *8 (N.D. Cal. Jan. 27, 2016) (conditionally certifying a class under the Fair Labor Standards Act where the employees could show that they received and/or sent emails off-the-clock despite the fact that the employer had a policy requiring all time to be recorded.); *Troester v. Starbucks Corp.*, 5 Cal.5th 829 (2018). As such Defendants were obligated to maintain accurate time records of all hours worked and their failure to do so resulted in the underpayment of Plaintiff and the aggrieved employees.

Labor Code § 1197.1 authorizes employees who are paid less than the minimum fixed by an applicable state or local law, or by an order of the commission a civil penalty, restitution of wages, and liquidate damages as follows: (1) for any initial violation that is intentionally committed, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee is underpaid....[and] (2) [f]or each subsequent violation for the same specific offense, two hundred fifty dollars (\$250) for each underpaid employee for each pay period for which the employee is underpaid regardless of whether the initial violation is intentionally committed. As set forth above, Defendants failed to compensate Plaintiff and all aggrieved employees for all minimum wages. Accordingly, through PAGA and to the extent permitted by law Plaintiff and all aggrieved employees are entitled to recover civil penalties for violations of Labor Code § 1197.1.

DEFENDANTS VIOLATED AND CONTINUE TO VIOLATE LABOR CODE §§ 510, 558, 1197, 1197.1, and 1198 AS WELL AS WAGE ORDER NO. 4-2001 AND OTHER APPLICABLE WAGE ORDERS

Labor Code § 510 requires an employer to compensate an employee who works more than eight (8) hours in one workday, forty (40) hours in a workweek, and for the first eight (8) hours worked on the seventh consecutive day no less than one and one-half times the regular rate of pay for an employee. Further, Labor Code § 510 obligates employers to compensate employees at no less than twice the regular rate of pay when an employee works more than twelve (12) hours in a day or more than eight (8) hours on the seventh consecutive day of work. In accordance with Labor Code § 1194, Plaintiff and the other aggrieved employees could not agree to work for a lesser wage.

In addition, Labor Code § 1197 states the California requirement that employees must be paid at least the minimum wage fixed by the Commission or by any applicable state or local law, and any payment of less than the minimum wage is unlawful.

Similarly, Labor Code § 1198 provides that “the maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

As discussed in detail above, Defendants engaged in a common policy and practice of not paying the aggrieved employees for required and/or expected pre-shift activity, not paying employees for required and/or expected post-shift activity, impermissibly rounding employees’ time entries (including start times, time entries associated with meal periods, and stop times and in a non-neutral manner that favored the employer), failing to pay minimum wages in accordance with the local municipal wage ordinances in effect for their job assignments, automatically deducting the time associated with meal periods regardless of whether or not an employee received a meal period, failing to compensate the aggrieved employees for security checks, for the time associated with bag checks, for the time associated with temperature/wellness checks, for the time associated with uniform maintenance, for the time associated with filling up gas and/or replacing gas consumed in the discharge of the employee’s job duties, picking up supplies, performing bank runs/deposits, due to Defendants’ communications with employees (whether by phone call, email, text message, or other method) while off-the-clock, failing to record all hours worked, for uncompensated time spent donning and doffing uniforms, and for the time spent working during interrupted meal and/or rest periods. As a result, Defendants often misclassified overtime hours as regular hours resulting in the underpayment of overtime wages and also failed to provide at least some of the aggrieved employees with any compensation for overtime hours whatsoever. For the same reasons as explained in detail above, Defendants also improperly failed to provide compensation for and/or misclassified doubletime hours as overtime hours or regular hours when the aggrieved employees worked more than twelve (12) hours in a day and/or more than eight (8) hours on the seventh day of work. Defendants also had a common policy and practice of only paying overtime hours when an employee works more than forty (40) hours in a week rather than eight (8) hours in a day. “Employees must be compensated for each hour worked at either the legal minimum or the contractual hourly rate, and compliance cannot be determined by averaging hourly compensation.” *Bluford vs. Safeway Stores, Inc.*, 216 Cal. App. 4th 864, 872 (2013); *Armenta v. Osmose, Inc.*, 135 Cal.App.4th 314, 324 (2005) (“While the averaging method utilized by the federal courts to assess whether a minimum wage violation has occurred may be appropriate when considered in light of federal public policy, it does not advance the policies underlying California’s minimum wage law and regulations.”). Defendants also engaged in a pattern and practice of sometimes only paying the aggrieved employees for overtime hours worked that were authorized in advance, but failed to pay for overtime hours unless the hours worked were authorized in advance. The above-described

conduct violated Labor Code §§ 510, 558, 1197, 1197.1, and 1198.

Separate and independent of the foregoing, when calculating an employee's regular rate, California and federal courts, with limited exceptions, look to the federal Fair Labor Standards Act ("FLSA"). *Huntington Mem'l Hosp. v. Sup. Ct.*, 131 Cal. App. 4th 893, 902 (2005). Under the FLSA, the regular rate of pay includes all forms of remuneration. See 29 U.S.C. § 207(e); *Huntington Mem'l*, 131 Cal. App. 4th at 90 (holding that shift differential must be included in the regular rate when calculating and paying overtime).

"Under [29 C.F.R.] § 778.224(a), a payment may not be excluded from the regular rate of pay pursuant to § 207(e)(2) if it is generally understood as compensation for work, even though the payment is not tied to specific hours worked by an employee." *Id.* (emphasis added). The Ninth Circuit summarized in *Flores v. City of San Gabriel*, 824 F.3d 890, 895 (9th Cir. 2016) that "the question of whether a particular payment falls within the 'other similar payments' clause does not turn on whether the payment is tied to an hourly wage, but instead turns on whether the payment is a form of compensation for performing work." *Id.* Nor as the Ninth Circuit explained need compensation paid be measured by the number of hours worked. *Id.* (explaining "that the key point is whether payment is 'compensation for work'" and that "even if payments to employees are not measured by the number of hours spent at work, that fact does not qualify for them for exclusion under section 207(e)(2).") *Id.* (citing *Local 246 Utility Workers Union of America v. Southern California Edison, Co.*, 83 F.3d 295).

Here, Defendants paid Plaintiff and at least some of the aggrieved employees a non-discretionary bonuses, incentive payment/pay, shift differential, hazard pay, piece rate compensation, flat sum production bonuses, non-discretionary production bonus, attendance bonus, any other form of non-discretionary bonus and/or incentive payment, but failed to include such compensation when calculating and paying overtime wages.

Instead of including all required compensation when calculating and paying overtime wages (including double time wages when the aggrieved employees worked shifts in excess of 12 hours), Defendants instead improperly paid overtime wages only at one and one-half times Plaintiff and the aggrieved employees' regular hourly base rate instead of at one and one-half time their regular rate of pay. In other words, Defendants improperly failed to include non-discretionary bonus, incentive payment/pay, shift differential, hazard pay, piece rate compensation, flat sum production bonus, non-discretionary production bonus, attendance bonus, any other form of non-discretionary bonus and/or incentive payment when calculating and paying overtime wages.

Based upon the foregoing, Defendants violated Labor Code § 510 with respect to Plaintiff and all aggrieved employees. The aggrieved employees who experienced a violation of Labor Code § 510 may pursue PAGA penalties under Labor Code § 558. Labor Code § 558 imposes a penalty

upon employers “who violates, or causes to be violated...any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; and (3) Wages recovered pursuant to this section shall be paid to the affected employee.” For purposes of Labor Code § 558, Plaintiff and the aggrieved employees seek only the penalties assessed as civil penalties pursuant to *ZB, N.A. v. Sup. Ct.* 8 Cal.5th 175 (2019) and not any underpaid wages.

Labor Code § 1197.1 authorizes employees who are paid less than the minimum fixed by an applicable state or local law, or by an order of the commission a civil penalty, restitution of wages, and liquidate damages as follows: (1) for any initial violation that is intentionally committed, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee is underpaid...[and] (2) [f]or each subsequent violation for the same specific offense, two hundred fifty dollars (\$250) for each underpaid employee for each pay period for which the employee is underpaid regardless of whether the initial violation is intentionally committed. As set forth above, Defendants failed to compensate Plaintiff and all aggrieved employees for all overtime wages at the proper rates. Accordingly, through PAGA and to the extent permitted by law, Plaintiff and all aggrieved employees are entitled to recover civil penalties for violations of Labor Code § 1197.1.

DEFENDANTS VIOLATED AND CONTINUE TO VIOLATE LABOR CODE §§ 226.7, 512, 558, and 1198 AS WELL AS IWC WAGE ORDER NO. 4-2001 AND OTHER APPLICABLE WAGE ORDERS

Labor Code § 512 requires employers to provide employees with thirty (30) minute uninterrupted and duty-free meal period within the first five (5) hours of work. Moreover, an employee who works more than ten (10) hours per day is entitled to receive a second thirty (30) minute uninterrupted and duty-free meal period. Pursuant to Labor Code § 512, an employer may not employ an employee for a work period of more than ten (10) hours, without providing the employee with a second meal period of not less than thirty (30) minutes. Moreover, the second meal period may not be waived if the total hours worked is more than twelve (12) hours.

Similarly, IWC Wage Order No. 4-2001 and other applicable wage orders prohibit an employer from “employ[ing] any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes. IWC Wage Order No. 4-2001 and other applicable wage orders further obligates employers to provide an employee to “pay the employee one (1) hour of pay at the employee’s regular rate of compensation for each workday that the meal period is not provided. Labor Code section 1198 prohibits an employer from requiring an employee to work beyond the “standard conditions of labor fixed by the commission...or under conditions of labor

prohibited by the order.”

Under Labor Code § 512, if an employer maintains a uniform policy that does not authorize and permit the amount of meal time called for under the law (as specified in the applicable Wage Order), “it has violated the wage order and is liable.” The *Brinker* Court explained in the context of rest breaks that employer liability attaches from adopting an unlawful policy:

An employer is required to authorize and permit the amount of rest break time called for under the wage order for its industry. If it does not—if, for example, it adopts a uniform policy authorizing and permitting only one rest break for employees working a seven-hour shift when two are required—**it has violated the wage order and is liable.**

Brinker Rest. Corp. v. Sup. Ct., 53 Cal.4th 1004, 1033 (2012) [emphasis added].

Following *Brinker*, the Courts of Appeal have confirmed that liability for meal period violations arise when an employer adopts a uniform policy that fails to provide off-duty breaks. For example, in *Faulkinbury vs. Boyd & Associates, Inc.*, the California Court of Appeal explained: “the employer’s liability arises by adopting a uniform policy that violates the wage and hour laws. Whether or not the employee was able to take the required break goes to damages” *Ibid.* (citations omitted); *see also Benton v. Telecom Network Specialists, Inc.*, 220 Cal. App. 4th 701, 728 (2013).

In *Alberts v. Aurora Behavioral Health Care*, 241 Cal. App. 4th 388, 410 (2015), the California Court of Appeal emphatically held that a meal period policy must specifically advise employees of the proper timing of meal periods. In *Alberts*, the meal break policy stated employees are entitled to “an unpaid thirty-minute break for a meal period, approximately half way between the beginning and ending of the employee’s shift.” *Id.* The court, in accordance with *Brinker*, found the defendant’s meal break policy violated California law because it did not specify “that a meal break be provided during the first five hours of an employee’s shift.” *Id.* (citing *Brinker, supra*, 53 Cal.4th at 1048–1049).⁴ The California Supreme Court recently held in *Donohue v. Amn Servs.*, 11 Cal.5th 58 that “time records showing noncompliant meal periods raise a rebuttable presumption of meal period violations.” In order to defeat this presumption, an employer must show not only that it advised employees “of his or her legal right to take a meal period and has knowingly and

⁴ Assuming *arguendo* Defendants had a compliant meal period—which it did not—even a formal written policy cannot save an employer where an employer or its supervisory employees interfered with meal periods or created a culture which makes taking a 30-minute break during the day infeasible. (*Chand v. Burlington Coat Factory of California, LLC*, No. CV F 13-2008 LJO JLT, 2014 WL 726837, at *5 (E.D. Cal. Feb. 24, 2014) (“The wage orders and governing statute do not countenance an employer’s exerting coercion against the taking of, creating incentives to forego, or otherwise encouraging the skipping of legally protected breaks.”) (citing *Brinker*, 53 Cal.4th at 1040); accord *Boyd v. Bank of Am. Corp.* C.D. Cal. May 6, 2015) No. SA CV 13–0056–DOC, 2015 WL 3650207, at *31; *Ricaldai v. U.S. Investigations Servs. LLC* (C.D. Cal. 2012) 878 F. Supp. 2d 1038, 1045; *Campbell v. Vitran Express Inc.* (C.D. Cal. Nov. 12, 2015) No. CV 11-5029 RGK (SHX), 2015 WL 7176110, at *8.)

voluntarily decided not to take the meal period.” *Id.* at *33 This presumption applies not only to missed meal periods, but also “to records showing short and delayed meal periods as well.” *Id.* at *34.

Moreover, an employee who is not advised of their right to receive proper meal periods cannot waive their meal period. *Brinker* 53 Cal. 4th at 1033 (“No issue of waiver ever arises for a rest break that was required by law but never authorized; if a break is not authorized, an employee has no opportunity to decline to take it.”); *Bradley*, 211 Cal.App.4th at 1151 (“an employer is obligated to provide the rest and meal breaks, and if an employer does not do so, the fact that an employee did not take the break cannot reasonably be considered a waiver.”). Similarly, recently in *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504, 528 (2018), the California Court of Appeal affirmed a judgment in favor of employees who had signed first meal period waivers and did not take meal periods by the 5th hour when they were scheduled to work less than six (6) hours, but ultimately worked 6.01 hours or more. On these occasions, the employees did not know that they were entitled to take a timely meal period at the fifth hour and in fact were told that they were not. Accordingly, on such occasions the aggrieved employees were denied an opportunity to take a timely first meal period. *Carrington*, 30 Cal. App. 5th at 528.

Here, Defendants failed to authorize and permit Plaintiff and the other aggrieved employees to receive lawful meal periods, failed to advise them of their right to such meal periods, failed to authorize and permit them to take timely first meal periods, and failed to authorize and permit employees to take 30-minute meal periods on occasion. Defendants’ meal period policies and practices also disincentivized and discouraged Plaintiff and the other aggrieved employees from taking timely first meal periods within the first five (5) hours of their shift.

Defendants also failed to authorize and permit Plaintiff and the other aggrieved employees to receive lawful second meal periods when they worked more shifts in excess of ten (10) hours per day. This includes, but is not limited to, failing to advise Plaintiff and the other aggrieved employees of their right to take a second thirty (30) meal period on such shifts and/or that they could not waive their second meal period if they worked a shift in excess of (12) hours.

Defendants’ meal period policies and practices disincentivized and discouraged Plaintiff and the other aggrieved employees from taking lawful meal periods due to issues related to understaffing, customer demands, and job assignments. As a result of Defendants’ understaffing practices and policies, it was often not possible for Plaintiff and the other aggrieved employees to take meal periods and/or timely meal periods within the first five (5) hours of their shift. This includes, but is not limited to on graveyard shifts, Notably, although Defendants’ meal period policies and practices are not compliant, it also pressured and coerced employees to forgo meal periods and made it difficult for employees to take lawful duty-free meal periods. Defendants’ understaffing policies and practices also pressured, coerced, and forced employees to take untimely

first meal periods and/or forced to forgo first and/or second meal periods (including, but not limited to on shifts worked in excess of 12 hours).

Defendants further violated Labor Code § 512 by failing to authorize timely meal periods within the first (5) hours of an employees' shift. Defendants maintained a policy and practice of requiring Plaintiff and the aggrieved employees to waive first meal periods when working shifts of less than six (6) hours. In doing so, Defendants pressured and disincentivized employees from taking meal periods within the first five (5) hours of their shift. As employees did not know in advance whether or not they would work more than six (6) hours and were not permitted to take meal periods and/or discouraged from taking meal periods on shifts of less than six hours, Plaintiff and the Meal Period Aggrieved Employees were not offered the opportunity to take a meal period within the first five (5) hours of the their shift. *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504, 528 (2018). Neither Plaintiff nor the aggrieved employees were given the opportunity to take a timely first meal period because they were not scheduled to be eligible to receive a meal period and did not know they were eligible for a timely period until after working more than six (6) hours at which point it was not possible for them to take a meal period within the first five (5) hours. Simply put, it's not possible for an employee to decide whether or not to take a timely first meal period when Defendants schedules them for a shift of six (6) hours or less such that they wouldn't have even known they were eligible for a meal period at the 5th hour.

Moreover, Defendants also actively interfered with Plaintiff and the other aggrieved employees' right to receive lawful meal periods including, but not limited to their policy and practice to prohibiting the aggrieved employees from leaving the premises for a meal period. The aggrieved employees' meal periods were also interrupted by their supervisors and other managers, customers, and/or by people asking them questions and by Defendants and their supervisory/managerial employees requiring and/or suffering or permitting them to perform work while they were supposed to be on their meal period (including when they were clocked-out).

Defendants also failed to provide uninterrupted meal periods of at least thirty (30) minutes in length, including but not limited due to its policy and practice of rounding the time entries associated with meal periods, understaffing conditions, and the job demands of aggrieved employees. Such practices sometimes made it impossible for the aggrieved employees to take thirty (30) minute uninterrupted meal periods. Defendants also engaged in a common pattern and practice of rounding meal period punches in violation of Labor Code sections 1194, 510, 512, and 226.7. As the California Supreme Court held in *Donohue v. Amn Servs.*, 11 Cal.5th 58, 81 (2021) employers cannot engage in the practice of rounding time punches—that is, adjusting the hours that an employee has actually worked to the nearest present time increment—in the meal period context. Here, as in *Donohue*, Defendants engaged in a common policy and practice of rounding Plaintiff and the other aggrieved employees time punches such that they did not receive minimum wages for all hours worked, overtime wages for the improperly rounded time punches, did not receive meal

period premiums for rounded time punches, and/or proper and lengthy meal periods. As such, Plaintiff alleges that Defendants violated Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, and IWC Wage Order No. 4-2001 when it engaged in such policies and practices.

Defendants also required Plaintiff and all aggrieved employees to go through security checks, bag checks, and/or temperature checks and wellness checks during their breaks when entering and leaving the premises including if they attempted to go outside during a meal/rest period. As a result, Defendants deprived Plaintiff and the other aggrieved employees of lawful uninterrupted meal periods on a regular and consistent basis. When Plaintiff and the other aggrieved employees attempted to get food during their meal periods, they were required to go through security and bag checks while leaving the premises and reentering such that they were never relieved of their job duties. Such conduct is unlawful and requires an employer to provide both a meal period premium and to pay the employee for the wages associated with unlawful search. Through Defendants' policy and practice of conducting security and bag searches on employees who were on breaks, Defendants violated Labor Code §§ 226.7, and 1198.

Defendants also adopted an automatic deduction policy and practice whereby it automatically deducted thirty (30) minutes' worth of an employee's pay regardless of whether or not the employee took a meal period and/or the full amount of their meal period. As a result of Defendants' policy and practice of automatically deducting thirty (30) minutes' worth of pay regardless of whether or not the aggrieved employee took a meal period and/or the length of the meal period, Defendants regularly failed to pay Plaintiff and all aggrieved employees for all hours worked in violation of Labor Code § 1194 and 1197 including hours that qualified as overtime hours pursuant to IWC Wage Order No. 4-2001 and Labor Code § 510. Defendants' rounded time entries for Plaintiff and the other aggrieved employees were also unlawful and non-neutral because Defendants failed to provide compensation for all hours worked well beyond 15 minutes and failed to round up in the employee's favor due, including, but not limited to, its off-the-clock policies even though such rounding is impermissible. As such, Defendants failed to pay Plaintiff wages for all hours worked (including overtime hours) and misclassified hours worked as regular hours as a result of its auto-deduction and unlawful time recording policies and procedures as discussed herein.

Defendants also impermissibly combined meal and rest periods and required employees to sign and maintained on-duty meal period agreements when the nature of the work did not prevent an employee from being relieved of all duties and/or the parties did not agree in writing to an on-duty meal period agreement, or the agreement did not provide that it could be revoked at any time. "An on-duty meal period is permitted only when the nature of the work prevents an employee from being relieved of all duty and the parties agree in writing to an on-duty paid meal break." *Lubin v. The Wackenhut Corp.*, 5 Cal. App. 5th 926, 932 (2016). The written agreement must include a

provision allowing the employee to revoke it at any time. *Id.*

Defendants also failed to pay Plaintiff and the other aggrieved employees meal period premiums for each workday that the employees did not receive a compliant meal period and/or at the proper rate. Labor Code § 226.7 provides “an employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission (“IWC”).

Similarly, IWC Wage Order No. 4-2001 and other applicable wage orders prohibit an employer from “employ[ing] any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes. IWC Wage Order No. 4-2001 and other applicable wage orders further obligate employers to provide an employee to “pay the employee one (1) hour of pay at the employee’s regular rate of compensation for each workday that the meal period is not provided. Accordingly, for each day that Plaintiff and all aggrieved employees did not receive compliant meal periods, they are entitled to receive meal period premiums pursuant to Labor Code § 226.7 and IWC Wage Order No. 4-2001 and other applicable wage orders. Unfortunately, Plaintiff and the other aggrieved employees were not compensated with one (1) hours’ worth of pay at their regular rate of compensation when they were not provided with a compliant meal period in violation of Labor Code § 226.7 and IWC Wage Order No. 7-2001 and other applicable wage orders.

Further, on the rare occasion if any that Defendants paid meal period premiums to the aggrieved employees, Defendants improperly paid the premium at the employee’s hourly base rate instead of at their regular rate resulting in the underpayment of meal period premiums. Plaintiff contends that Defendants’ policies and practices as alleged above violated Labor Code § 226.7 and seeks penalties pursuant to PAGA related thereto consistent with the California Supreme Court’s decision in *Ferra v. Loews Hollywood Hotel, LLC*, 11 Cal. 5th 858, 878 (2021) (“we hold that the term ‘regular rate of compensation’ in section 226.7(c) has the same meaning of regular rate of pay’ in section 510(a) and encompasses not only hourly wages, but all nondiscretionary payments for work performed by the employee.”).

Based upon the foregoing, Defendants violated Labor Code §§ 226.7, 512, 558, 117, 1174.5, and 1198 as well as IWC Wage Order No. 4-2001 and other applicable wage orders with respect to Plaintiff and the aggrieved employees. As such, Plaintiff and the aggrieved employees are entitled to penalties under Labor Code § 558. Labor Code § 558 imposes a penalty upon employers “who violates, or causes to be violated...any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid

employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; and (3) Wages recovered pursuant to this section shall be paid to the affected employee.” For purposes of Labor Code § 558, Plaintiff and the aggrieved employees seek only the penalties assessed as civil penalties pursuant to *ZB, N.A. v. Sup. Ct.* 8 Cal.5th 175 (2019) and not any underpaid wages.

DEFENDANTS VIOLATED AND CONTINUE TO VIOLATE LABOR CODE § 226.7 AND IWC WAGE ORDER NO. 4-2001 AND OTHER APPLICABLE WAGE ORDERS

Labor Code § 226.7 provides “an employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission (“IWC”). Under IWC Wage Order No. 4-2001, an employer must authorize and permit all employees to take ten (10) minute duty free rest periods for every major fraction of four hours worked. *See Augustus v. ABM Security Services, Inc.* (2016) 2 Cal. 5th 257, 269 (concluding that “during rest periods employers must relieve employees of all duties and relinquish control over how employees spend their time.”).

The *Brinker* Court explained in the context of rest breaks that employer liability attaches from adopting an unlawful policy:

An employer is required to authorize and permit the amount of rest break time called for under the wage order for its industry. If it does not—if, for example, it adopts a uniform policy authorizing and permitting only one rest break for employees working a seven-hour shift when two are required—***it has violated the wage order and is liable.***

Brinker Rest. Corp. v. Sup. Ct., 53 Cal.4th 1004, 1033 (2012) (emphasis added).

Pursuant to Labor Code § 226.7 and IWC Wage Order No. 4-2001 and other applicable wage orders, Defendants failed to provide the Aggrieved Employees with rest periods of not less than ten (10) minutes for every major fraction of four (4) hours worked. Instead, Defendant regularly and consistently required at least some of the aggrieved employees to forgo rest periods and/or required them to remain on the premises and failed to relieve them of all duties. This includes, but is not limited to failing to advise Plaintiff and the aggrieved employees of their right to take a second rest period when they worked shifts in excess of six (6) hours, but less than eight (8) hours and of their right to a third rest period when they worked more than ten (10) hours. Instead, Defendants regularly and consistently required aggrieved employees to forgo a second rest period when they worked shifts in excess of six (6) hours—including, but not limited to when the aggrieved employees worked shifts in excess of six (6) hours, but less than eight (8) hours—and failed to authorize and permit employees who worked more than ten (10) hours a third rest period. Further on least some occasions, Defendants failed to provide any rest periods to the aggrieved employees whatsoever including on shifts of all lengths. This includes, but is not limited to, due to

Defendants' failure to advise employees of their right to rest periods on shifts of any length.

Instead, Defendants advised Plaintiff and the other aggrieved employees that they were not allowed to leave the premises during their rest periods (on all shifts, but also including on graveyard shifts). Defendants also did not permit Plaintiff or the other aggrieved employees to leave the premises during rest periods as required by Labor Code § 226.7 and Wage Order No. 4-2001. *Augustus*, 2 Cal. 5th at 269

Defendants also required Plaintiff and all aggrieved employees to go through security checks, bag checks, and/or temperature checks and wellness checks during their breaks when entering and leaving the premises including if they attempted to go outside during a meal/rest period. As a result, Defendants deprived Plaintiff and the other aggrieved employees of lawful uninterrupted rest periods on a regular and consistent basis. When Plaintiff and the other aggrieved employees attempted to get food during their rest periods, they were required to go through security and bag checks while leaving the premises and reentering such that they were never relieved of their job duties. Such conduct is unlawful and requires an employer to provide both a rest period premium and to pay the employee for the wages associated with unlawful search. Through Defendants' policy and practice of conducting security and bag searches on employees who were on breaks, Defendants violated Labor Code §§ 226.7, and 1198.

Moreover, the aggrieved employees were denied rest periods as a result of Defendants' understaffing practices and policies. Notably, although Defendants' rest period policies and practices are not compliant, they also pressured and coerced employees to forgo rest periods and made it difficult for employees to take lawful duty-free rest periods both due to their understaffing policies and practices and otherwise.

Defendants also impermissibly combined meal and rest periods. Due to Defendants' policy and practice of requiring the aggrieved employees to clock-out for a combined meal and rest period, the aggrieved employees did not receive paid rest periods as required by IWC Wage Order No. 4-2001 and Labor Code § 226.7. Even an employer who maintains an otherwise compliant rest period policy, "reminded their employees of their availability—and the importance—of taking breaks on a daily basis, and even went so far as to conduct regular audits to ensure that employees were being offered rest breaks" will still be liable for rest period violations if the employees were provided non-compliant unpaid rest periods. *Amaro v. Gerawan Farming, Inc.*, 2016 U.S. Dist. LEXIS 66842 (E.D. Cal. May 19, 2016) *aff'd* *Amaro v. Gerawan*, 2016 U.S. Dist. LEXIS 112540, 2016 WL 4440966, at *11 (E.D. Cal. Aug. 22, 2016); *rev. denied* by 9th Cir. Case No. 0:16-23f-80120 (9th Cir. Nov. 16, 2016); *Aldapa v. Fowler Packing Co.* (E.D. Cal. 2018) 323 F.R.D. 316, 338 ("if plaintiffs are correct in contending that defendants' policy in this regard was in violation of the requirements of California law, it would also be undisputed that defendants failed to provide any "rest or recovery period[s] in accordance with a state law" from March 2011 to

November 2013, because class members were unable to take a separately compensated rest period even if they sought to do so.”).

Further, on the rare occasion if any that Defendants paid rest period premiums, Defendants improperly paid the premium at the employee’s hourly base rate instead of at their regular rate. Plaintiff contends that Defendants’ policies and practices as alleged above violated Labor Code § 226.7 and seeks penalties pursuant to PAGA related thereto consistent with the California Supreme Court’s decision in *Ferra v. Loews Hollywood Hotel, LLC*, 11 Cal. 5th 858, 878 (2021) (“we hold that the term ‘regular rate of compensation’ in section 226.7(c) has the same meaning of regular rate of pay’ in section 510(a) and encompasses not only hourly wages, but all nondiscretionary payments for work performed by the employee.”).

Based upon the foregoing, Defendants violated Labor Code § 226.7 and 1198 as well as IWC Wage Order No. 4-2001 and other applicable wage orders with respect to the aggrieved employees. Employees, including Plaintiff and the other aggrieved employees who experienced a violation of Labor Code § 226.7 may pursue PAGA penalties under Labor Code § 558. Labor Code § 558 imposes a penalty upon employers “who violates, or causes to be violated...any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; and (3) Wages recovered pursuant to this section shall be paid to the affected employee.” For purposes of Labor Code § 558, Plaintiff and the aggrieved employees seek only the penalties assessed as civil penalties pursuant to *ZB, N.A. v. Sup. Ct.* 8 Cal.5th 175 (2019) and not any underpaid wages.

DEFENDANTS VIOLATED AND CONTINUE TO VIOLATE LABOR CODE §§ 226(a), 226(e) and 226.3

As to Plaintiff and all aggrieved employees, Defendants also failed to provide accurate itemized wage statements in accordance with Labor Code § 226. Labor Code § 226 obligates employers, semi-monthly or at the time of each payment to furnish an itemized wage statement in writing showing:

- (1) gross wages earned;
- (2) total hours worked by the employee;
- (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece rate;
- (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item;

- (5) net wages earned;
- (6) the inclusive dates of the period for which the employee is paid;
- (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number;
- (8) the name and address of the legal entity that is the employer...;
- (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee...

Due to Defendants' failure to pay Plaintiff and all aggrieved employees all minimum wages, overtime wages (including doubletime wages), meal period premiums, and rest period premiums owed, the wage statements issued by Defendants do not indicate the correct amount of gross wages earned, the total hours worked, the net wages earned, all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate. Thus, Plaintiff is an aggrieved employee within the meaning of PAGA and Defendants have violated Labor Code §226(a)(1), (2), (5), and (9) with respect to Plaintiff and all aggrieved employees. Plaintiff also alleges that Defendants issued some aggrieved employees some itemized wages statements, including but not limited to paper and/or final wage statements, that did not include the name of the employer, the address of the employer, all deductions, the number of piece rate units earned and any applicable piece rate if the employee is paid on a piece rate, the inclusive dates of the period for which the employee is paid (omitted start dates, end dates, and/or both start dates and end dates) the name of the employee and only the last four digits of the employees or the last four digits of the employees social security number (left-off and/or all nine digits of the employees social security number) as well as the non-derivative information for the amount of gross wages earned, the total hours worked, the net wages earned, all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate. This conduct violated Labor Code § 226(a)(1-9).

In addition, the wage statements issued to Plaintiff and all aggrieved employees did not include the actual total hours worked by the employee in violation of Labor Code § 226(a)(2). As previously explained, in express violation of Section 7(A)(3) of IWC Wage Order No. 7-2001 which requires employers to record "when the employee begins and ends **each work period**." Instead, Defendants failed to report the time that it knew that Plaintiff and the other aggrieved employees were working while off-the-clock as explained in detail above. As a result, the wage statements issued by Defendants did not include the correct amount of total hours worked.

The wage statements issued to Plaintiff and the other aggrieved employees also did not include the address of the legal entity that is the employer. For instance, for the pay period of May 15, 2023 to May 21, 2023, Defendant issued an itemized wage statement to Plaintiff that did not contain any address for the employer. Plaintiff alleges that the wage statements that Defendant issued to the other aggrieved employees during the PAGA period also did not contain the address of the legal entity that is the employer. Such conduct violates Labor Code § 226(a)(8). In addition,

since Defendants are a temporary services employer as defined in Labor Code section 201.3, its wage statements must also contain the rate of pay and total hours worked for each temporary services assignment in accordance with Labor Code § 226(a)(9). However, some of the wage statements issued by Defendants to the aggrieved employees during the PAGA period did not include the rate of pay and the total hours worked or accurate information (including the name of the temporary service employer or entity securing the temporary service employment) about the temporary service assignment for each temporary services assignment as required by Labor Code § 226(a)(9).

Plaintiff and the aggrieved employees will prevail on their claim for PAGA penalties under Labor Code § 226(a). See *Lopez v. Friant & Assocs., LLC*, 15 Cal.App.5th 773, 788 (2017) (“hold[ing] a plaintiff seeking civil penalties under PAGA for a violation of Labor Code section 226(a) does not have to satisfy the ‘injury’ and ‘knowing and intentional’ requirements of section 226(e)(1).”); *Raines v. Coastal Pacific Food Distributors, Inc.*, 23 Cal.App.5th 667, 679 (2018) (finding that the “requirements for a section 226(e) claim do not apply to a PAGA claim for a violation of section 226(a).”).

There is currently a split of authority regarding which PAGA penalties apply to violations of Labor Code § 226(a). *Gunther v. Alaska Airlines, Inc.*, 72 Cal. App. 5th 334, 355 (2021) (holding that such violations give rise to a 2699.3 penalty) *cf.*; *Raines v. Coastal Pacific Food Distributors, Inc.*, 23 Cal.App.5th 667, 675 (2018) (holding that such violations give rise to a Labor Code § 226.3 penalty). Labor Code § 226.3 provides that “[a]ny employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial violation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage deduction statement or fails to keep the required in subdivision (a) of Section 226.” As explained in detail above, Defendants failed to provide Plaintiff and the other aggrieved employees with accurate itemized wage statements. Accordingly, to the extent it applies, Plaintiff and the other aggrieved employees may also recover Labor Code § 226.3 or 2699 penalties for Defendants’ violations of Labor Code § 226(a).

DEFENDANTS VIOLATED AND CONTINUE TO VIOLATE LABOR CODE § 200-204, 210 and 1198 BY FAILING TO PROVIDE REPORTING TIME PAY

IWC Wage Order No. 4-2001, § 5 provides that “[e]ach workday that an employee is required to report to the work site and does report, but is not put to work or is furnished less than half of his/her usual or scheduled day’s work, the employer shall pay him/her for half the usual or scheduled day’s work, but in no event for less than two (2) hours nor more than four (4) hours at the employee’s regular rate of pay, which shall not be less than the minimum wage.”

Labor Code § 200 provides that “Wages includes all amounts for labor performed by employees of every description, whether the amount is fixed or ascertained by the standard of time, task, piece, commission basis, or other method of calculation.” Moreover, Labor Code § 1198 provides that the maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.

On several occasions, Plaintiff and the other aggrieved employees were required to report to work and would stay for approximately two (2) hours and would be sent home for lack of work despite being scheduled to work eight (8) hours or more. On these occasions, Defendant failed to pay Plaintiff and the other aggrieved employees reporting time pay consistent with IWC Wage Order No. 4-2001 and Labor Code §§ 200 and 200-204, 210, and 1198. The text and information about Labor Code sections 201-204 and 210 can be found later in this letter and are hereby incorporated by reference for brevity purposes.

DEFENDANTS VIOLATED AND CONTINUES TO VIOLATE LABOR CODE §§ 246 and 246.5

Labor Code § 246 requires employer to calculate sick leave pay based upon one of the following formulas:

- (1) Paid sick time for nonexempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek.
- (2) Paid sick time for nonexempt employees shall be calculated by dividing the employee’s total wages, not including overtime premium pay, by the employee’s total hours worked in the full pay periods of the prior 90 days of employment.
- (3) Paid sick time for exempt employees shall be calculated in the same manner as the employer calculates wages for other forms of paid leave time.

Lab. Code § 246.

Throughout Plaintiff and the aggrieved employees’ employment, Defendants failed to include non-discretionary bonuses, incentive payment/pay, shift differentials, hazard pay, piece rate compensation, flat sum production bonuses, non-discretionary production bonuses, attendance bonuses, any other form of non-discretionary bonus and/or incentive payment when calculating and paying sick pay. *See Wood v. Kaiser Found. Hosps.*, 88 Cal. App. 5th 742, 759 (2023), as modified

(Mar. 23, 2023)

Defendants also refused to allow at least some of their employees to use their protected sick leave on some occasions during the PAGA period in violation of Labor Code §§ 246 and 246.5. Defendant also on some occasions failed to include information about employees' accrued and used sick pay as well as the balance of their sick pay on the aggrieved employee's wage statement.

Further, as a result when Plaintiff and the Late Payment Aggrieved Employees' employment ended, they left their employment without having received compensation for all of their sick pay that they were owed under Labor Code § 246 and resulting in a violation of Labor Code §§ 201-203. As a result of Defendants' underpayment of sick pay, Plaintiff and the other Late Payment Aggrieved Employees experienced a violation of Labor Code §§ 201-202 upon separation from Defendants. *See Powell v. Walmart Inc.*, No. 3:20-cv-2412-BEN-LL, 2021 U.S. Dist. LEXIS 20777, at *6 (S.D. Cal. Feb. 2, 2021) (denying a motion to dismiss claims under Labor Code section 203 based upon the employer's alleged failure to include incentive pay when calculating and paying sick pay); *accord Flores v. Dart Container Corp.*, No. 2:19-cv-00083 WBS EFB, 2020 U.S. Dist. LEXIS 93524, at *7 (E.D. Cal. May 27, 2020).

DEFENDANTS VIOLATED AND CONTINUE TO VIOLATE LABOR CODE §§ 204 and 210

Labor Code § 204 expressly requires that “[a]ll wages...earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays.” Pursuant to Labor Code § 204(a), “Labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month. Labor Code § 204 also expressly requires that “[a]ll wages...earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays.” Defendants pay Plaintiff and all aggrieved employees on a weekly basis.

With respect to Plaintiff and all aggrieved employees, for part of the PAGA period, Defendants failed to maintain regular pay dates as required by Labor Code § 204.

Due to Defendants' failure to pay Plaintiff and all aggrieved employees all minimum wages, all overtime wages (including doubletime wages), meal period premiums, rest period premiums, sick pay wages (including at the proper rate) and reporting time pay for the reasons discussed above, Defendants failed to timely pay Plaintiff and all aggrieved employees all wages owed within the time constraints of Labor Code § 204 on a regular and consistent basis.

Labor Code § 210 provides that “in addition to, an entirely independent and apart from, any other penalty provided in this article, every person who fails to pay the wages of each employee as provided in Sections...204...shall be subject to a civil penalty as follows: (1) For any initial violation, one hundred dollars (\$100) for each failure to pay each employee; (2) For each subsequent violation, or any willful or intentional violation, two hundred dollars (\$200) for each failure to pay each employee, plus 25% of the amount unlawfully withheld.” As a result of the faulty compensation policies and practices described in detail above, Plaintiff and the other aggrieved employees are entitled to recover penalties under Labor Code § 210 through PAGA. See *Amaral v. Cintas Corp. No. 2*, 163 Cal.App.4th 1157, 1209 (2008) (affirming an award of Labor Code section 210 penalties under PAGA due to the employer’s failure to timely pay wages at the proper rate in accordance with a local wage ordinance).

DEFENDANTS VIOLATED AND CONTINUES TO VIOLATE LABOR CODE §§ 201-203

Under Labor Code §§ 201-202, an employer must provide an employee wages at the time or discharge or within up to seventy-two (72) hours of their resignation. Labor Code § 203 provides “if an employer willfully fails to pay . . . any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty. . .” for up to 30 days. Lab. Code § 203; *Mamika v. Barca*, (1998) 68 Cal.App.4th 487, 492.

In addition, Labor Code § 256 provides that the Labor Commissioner “shall impose a civil penalty in an amount not exceeding 30 days’ pay as waiting time under the terms of Section 203. The California Supreme Court and California Court of Appeal have both specifically recognized the ability of an aggrieved employee to recover civil penalties under Labor Code § 256 for a defendant’s willful violation of Labor Code § 201 and 202 under PAGA. In *Iskanian v. CLS Transportation Los Angeles, LLC*, 59 Cal.4th 348, 381 (2014), the California Supreme Court acknowledged that PAGA penalties for the untimely payment of wages included the 30 days of pay as waiting time pursuant to Labor Code § 256. See also *Esparza v. KS Industries, L.P.* 13 Cal.App.5th 1228, 1242 (2017) (explaining that the Labor Code § 256 penalties only exist if the employer’s failure to timely pay wages upon separation was willful is a “civil penalty” “recovered or imposed by the Labor Commissioner.”).

Defendants failed to Plaintiff and the other Late Payment Aggrieved Employees any wages whatsoever within the time constraints of Labor Code section 201-202. Moreover, as described in detail above, Defendants failed to pay aggrieved employees whose employment concluded all wages owed, including but not limited to minimum wages, overtime wages (including doubletime wages), meal period premiums, rest period premiums, vacation wages, and sick pay (including at the correct rates) within time constraints proscribed in Labor Code §§ 201-202. Thus, as result of Defendants’ faulty policies described above, the Late Payment Aggrieved Employees left their

employment with Defendants without being compensated for each and every hour worked at the appropriate rate in violation of Labor Code §§ 201, 202, 203, and 256.

DEFENDANTS VIOLATED AND CONTINUES TO VIOLATE LABOR CODE §§ 1174 and 1174.5

Labor Code § 1174 provides that each employer shall keep “payroll records showing the hours worked daily by and the wages paid to...employees employed at...establishments.” An employer who fails to maintain the records proscribed by Labor Code § 1174 is subject to a civil penalty of five hundred (\$500) dollars under Labor Code § 1174.5.

As previously explained, Defendants failed to maintain accurate records of the total hours worked by employees or of the time associated with off-the-clock work as described above and failed to record time that employees were subject to Defendants’ control and required to work during their meal/rest periods on a regular and consistent basis in express violation of Section 7(A)(3) of IWC Wage Order No. 4-2001 which requires employers to record “when the employee begins and ends **each work period**.”:

7. RECORDS

- (A) Every employer shall keep accurate information with respect to each employee including the following:
- (1) Full name, home address, occupation and social security number.
 - (2) Birth date, if under 18 years, and designation as a minor.
 - (3) Time records showing when the employee begins and ends each work period. Meal periods, split shift intervals and total daily hours worked shall also be recorded. Meal periods during which operations cease and authorized rest periods need not be recorded.

Due to Defendants’ regular and consistent practice of not recording all hours worked, including the time associated with off-the-clock work and as described above, the time records maintained by Defendants do not show the actual hours worked daily by Plaintiff and the aggrieved employees. This caused Plaintiff and the other aggrieved employees time records not to actually show the total hours worked daily by each of them throughout the PAGA period in violation of Labor Code §§ 1174 and 1174.5.

Plaintiff seeks both PAGA penalties under Labor Code § 1174.5 for willful violations of Labor Code § 1174, but also separate PAGA penalties pursuant to section 2699.3 for non-willful violations since no default is proscribed for such violations. Labor Code § 2699.3 (identifying a violation of Labor Code section 1174 subdivisions (c) and (d) as non-curable PAGA claims).

DEFENDANTS VIOLATED AND CONTINUE TO VIOLATE LABOR CODE § 2802

Labor Code §2802 provides that “[a]n 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, even though unlawful,

unless the employee, at the time of obeying the directions, believed them to be unlawful.”

During at least part of the PAGA period, Defendants required and/or expected aggrieved employees to use their own tools and implements in the discharge of their job duties. By failing to provide Plaintiff and the aggrieved employees with masks, gloves, scissors, water, and other safety equipment, Defendants caused Plaintiff and the other aggrieved employees to make expenditures and incur losses in the direct consequence of the discharge of their job duties. Moreover, Defendants also expected Plaintiff and the other aggrieved employees to use their personal vehicles for business purposes and for which they did not receive reimbursement. This includes, but is not limited, to requiring Plaintiff and other aggrieved employees with trucks to move the porta potties used by the employees. During at least part of the PAGA period, Defendants also required some of the aggrieved employees to utilize their cell phones in the discharge of their job duties for which they did not receive compensation. Defendants’ conduct in requiring some of the aggrieved employees to engage in the above described activities caused them to incur losses as a direct consequence of their duties. Although some of the aggrieved employees were regularly required to and/or ordered/directed to use their own personal communication devices for work purposes (including cell phones and other devices), those aggrieved employees were not provided with any reimbursement for the use of their personal cell phones. Based upon information and belief, some of the aggrieved employees were specifically directed by Defendants and/or their supervisory employees to utilize their cell phones in the discharge of their job duties for which they did not receive compensation. Defendants’ conduct in requiring some of the aggrieved employees to engage in the above described activities caused them to incur losses as a direct consequence of their duties.

Defendants required Plaintiff and the other aggrieved employees to wear distinctive uniforms including company shirts among other items and/or a specific color scheme as well as other items such as shoes. However, Defendants failed to provide expense reimbursements either for the uniform themselves and/or the expenses associated with maintaining such uniform (including, but not limited to laundry detergent and/or dry cleaning).

DEFENDANTS VIOLATED AND CONTINUES TO VIOLATE LABOR CODE § 1198

IWC Wage Order No. 4-2001, Sections 14(A) and (B) provide that “[a]ll working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats.” Section 14(B) further provides: “When employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties.”

An employee can bring a claim under PAGA for failure to provide suitable seating because the suitable seating requirements of IWC Wage Order No. 4-2001 qualify as standard conditions of

labor for employees under Labor Code § 1198. *Bright v. 99¢ Only Stores*, 189 Cal. App. 4th 1472, 1475 (2010) at 1476 (holding that violations of the suitable seating provisions of IWC Wage Order No. 4-2001 “are violations of section 1198 and civil penalties under section 2699, subdivision (f) are available.”). Since *Bright*, the California Supreme Court has provided further instructions concerning the interpretation of the suitable seating requirements of IWC Wage Order No. 4-2001. Specifically, in *Kilby v. CVS Pharmacy, Inc.*, 63 Cal. 4th 1 (2016), the California Supreme Court found that “[i]f the tasks being performed at a given location reasonably permit sitting, and provision of a seat would not interfere with performance of any other tasks that may require standing, a seat is called for.” *Id.* at 8. Importantly, in reaching its decision, the Court explained that an employee who works in a store and spends most of his day stocking shelves, but also “occasionally assists at a cash register during busy periods” may be entitled to a seat during the portion of the day spent cashiering so long as provision of a seat would not interfere with performance of standing tasks. *Id.*

Defendants failed to provide aggrieved employees with suitable seats when they were not engaged in the active duties of their employment and the nature of the work did not require standing. Defendants, for at least part of the PAGA period, failed to provide an adequate number of suitable seats in reasonable proximity to the work area and did not permit the aggrieved employees to use such seats when it does not interfere with the performance of their duties. As such, Defendants violated Labor Code § 1198.

DEFENDANTS VIOLATED AND CONTINUES TO VIOLATE LABOR CODE § 206.5

Labor Code § 206.5 states that:

(a) An employer shall not require the execution of a release of a claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made. A release required or executed in violation of the provisions of this section shall be null and void as between the employer and the employee. Violation of this section by the employer is a misdemeanor.

(b) For purposes of this section, execution of a release includes requiring an employee, as a condition of being paid, to execute a statement of the hours he or she worked during a pay period which the employer knows to be false.

At times during the PAGA period, Defendants required aggrieved employees to execute a release as a condition of being paid in the form of a statement of hours that he or she worked during the pay period that Defendants and/or some of its agents knew to be false. Such conduct violated Labor Code § 206.5.

DEFENDANTS VIOLATED AND CONTINUE TO VIOLATE LABOR CODE § 2810.5

Labor Code § 2810.5 requires an employer to provide, at the time of hiring, to each employee a “written notice, in the language the employer normally uses to communicate employment-related information to the employee, containing the following information:

- (A) The rate or rates of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, as applicable.
- (B) Allowances, if any, claimed as part of the minimum wage, including meal or lodging allowances.
- (C) The regular payday designated by the employer in accordance with the requirements of this code.
- (D) The name of the employer, including any “doing business as” names used by the employer.
- (E) The physical address of the employer’s main office or principal place of business, and a mailing address, if different.
- (F) The telephone number of the employer.
- (G) The name, address, and telephone number of the employer’s workers’ compensation insurance carrier.
- (H) That an employee: may accrue and use sick leave; has a right to request and use accrued paid sick leave; may not be terminated or retaliated against for using or requesting the use of accrued paid sick leave; and has the right to file a complaint against an employer who retaliates.
- (I) Any other information the Labor Commissioner deems material and necessary.

Defendants failed to provide at least some of the employees with the written notice required by Labor Code § 2810.5 and also failed to provide some of the required information. Defendants’ failure to provide such information varied from time to time, but based upon information and belief, included violations of all nine subdivisions of Labor Code § 2810.5(a).

CONCLUSION

Therefore, pursuant to Labor Code § 2699.3, we write to inform the Labor and Workforce Development Agency of additional information about Plaintiff’s claims.

Very truly yours,

WINSTON LAW GROUP, P.C.

By: /s/ David S. Winston
DAVID S. WINSTON

Exhibit 4

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Attorneys for Defendant Star HR LLC
(Sued and served herein as DOE 1)

[Additional Counsel on Next Page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

JOSE RODRIGUEZ, an individual, on behalf of
himself, others similarly situated,

PLAINTIFF,

vs.

WORLD CLASS STAFFING SERVICES LLC,
a California Limited Liability Company, STAR
HR LLC, a Wyoming Limited Liability
Company and DOES 2 thru 50, inclusive,

DEFENDANTS.

CASE NO.: CIVSB2315859

[Assigned for All Purposes to the Hon.
Christian Towns, Dept. S-26]

**JOINT STIPULATION OF CLASS
ACTION AND PAGA SETTLEMENT**

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Attorneys for Defendant World Class

Staffing Services LLC

1 This Joint Stipulation of Class and Representative Action Settlement is made and entered into
2 between Plaintiff Jose Rodriguez (“Plaintiff”) on behalf of himself, as a representative of the Settlement
3 Class, and as a Private Attorney General on behalf of the State of California under PAGA (as defined
4 below) and Defendants Star HR LLC (“Star HR”) and World Class Staffing Services LLC (“World
5 Class”) (collectively Star HR and World Class may be referred to as the “Defendants”), (Plaintiff and
6 Defendants hereinafter are collectively referred to as the “Parties”). This is a non-reversionary checks-
7 mailed settlement and Defendants (as defined below) shall pay 100% of the Gross Settlement Amount
8 (as defined below). This Stipulation is subject to the approval of the Court, pursuant to California Rules
9 of Court, Rule 3.769(c), (d) and (e), and is made for the sole purpose of attempting to consummate
10 settlement of the Action on a class-wide basis subject to the following terms and conditions. As detailed
11 below, in the event the Court does not enter an order granting final approval of the Class Settlement, as
12 defined below, or the conditions precedent are not met for any reason, this Stipulation is void and of no
13 force or effect whatsoever.

14 **I. DEFINITIONS**

15 As used in this Stipulation, the following terms shall have the meanings specified below. To the
16 extent terms or phrases used in this Stipulation are not specifically defined below, but are defined
17 elsewhere in this Stipulation, they are incorporated by reference into this definition section.

18 **A. Action.** “Action” shall mean the above captioned action titled *JOSE RODRIGUEZ, an*
19 *individual, on behalf of himself, others similarly situated, PLAINTIFF v. WORLD CLASS STAFFING*
20 *SERVICES LLC, a California Limited Liability Company, STAR HR LLC, a Wyoming Limited Liability*
21 *Company and DOES 2 thru 50, inclusive, DEFENDANTS*, San Bernardino County Superior Court Case
22 No. CIVSB2315859.

23 **B. Administrative Expenses.** “Administrative Expenses” shall include all costs and
24 expenses associated with and paid to the third-party Settlement Administrator, which are anticipated not
25 to exceed \$10,000.00.

26 **C. Aggrieved Employee.** “Aggrieved Employee” shall mean all current and former non-
27 exempt, hourly employees who worked in California for World Class Staffing Services LLC and had a
28 wage statement issued by Star HR LLC at any point between June 8, 2022 and October 15, 2023. Through

informal discovery, Defendants represented and hereby again represents that the number of potentially aggrieved employees is 422 and that there are 7,746 pay periods during the PAGA Covered Period.

D. Class Attorney Fees and Expenses. “Class Attorney Fees and Expenses” shall mean Class Counsel’s attorney fees and expenses as set forth in Section IV.G.

E. Class Counsel. “Class Counsel” shall mean David S. Winston of Winston Law Group, P.C.

F. Class, Settlement Class, Class Member or Settlement Class Member. “Class,” “Settlement Class,” “Class Member,” or “Settlement Class Member” shall mean all current and former non-exempt, hourly employees who worked in California for World Class Staffing Services LLC and had a wage statement issued by Star HR LLC at any point between June 8, 2022 and October 15, 2023. Through informal discovery, Defendants represented and hereby again represents that the number of potential class members is 422 and that there are 7,746 pay periods during the Class Period.

G. Class Notice. “Class Notice” shall mean the Notice of Proposed Class Action Settlement and Hearing Date for Court Approval, as set forth in the form agreed upon by the Parties or as otherwise approved by the Court, which is to be mailed to Class Members.

H. Class Participants. “Class Participants” shall mean any and all Class Members who do not timely Opt-Out of the Class Settlement.

I. Class Period or Covered Period. “Class Period” or “Covered Period” shall mean the period from June 8, 2022 and October 15, 2023.

J. Class Representative. “Class Representative” shall mean Plaintiff Jose Rodriguez.

K. Class Settlement. “Class Settlement” shall mean the settlement embodied in this Stipulation, which is subject to Court approval.

L. Class Released Claims. “Class Claims” or “Class Released Claims” shall mean any and all claims for the failure to provide legally compliant wage statements in violation of California Labor Code section 226 during the Class Period (June 8, 2022 to October 15, 2023) that were alleged or reasonably could have been alleged based upon the facts stated in the July 12, 2023 Complaint, the August 14, 2023 First Amended Complaint, and/or the December 1, 2023 Second Amended Complaint. The Class Released claims do not include any claims for workers compensation, unemployment, or disability

benefits, any claims unrelated to the issuance of itemized wage statements, or any other claims other than those specified herein.

M. Court. “Court” shall mean the San Bernardino County Superior Court.

N. Defendants, Releasees, or Released Parties. “Defendant,” “Defendants,” “Releasees,” or “Released Parties” shall mean and refer to Star HR LLC, World Class Staffing Services LLC, as well as Star HR LLC’s and World Class Staffing Services LLC’s current and former owners (including but not limited to Scott Hanson and Beatriz Power), officers, directors, managers, employees, and attorneys, and Star HR LLC’s and World Class Staffing Services LLC’s parents and subsidiaries.

O. Defense Counsel. “Defense Counsel,” “Defendant’s Counsel,” “Defendants’ Counsel” or “Releasees’ Counsel” shall mean Monte Grix and Aram V. Karagueuzian of HIRSCHFELD KRAEMER LLP for Star HR LLC and Luiza Manuelian and Evelyn Zarraga of Landegger Verano & Davis, ALC for World Class Staffing Services LLC.

P. Effective Date. “Effective Date” shall mean the first business day following the last of the following occurrences: (i) if no Class Member timely and properly intervenes, files a timely motion to vacate the Judgment under, or objects to the Settlement, then the date the Court enters an order granting Final Approval of the Settlement; (ii) if a Class Member timely intervenes or files a timely motion to vacate the judgment or objects to the Settlement, then sixty-one (61) days following the date the Court enters an order granting final approval, assuming no appeal is filed; or (iii) if a Class Member timely intervenes or files a motion to vacate the Judgment, or objects to the Settlement, and files a timely appeal, then the date of final resolution of that appeal (including any requests for rehearing and/or petitions for certiorari), resulting in final and complete judicial approval of the Settlement in its entirety, with no further challenge to the Settlement being possible.

Q. Final Approval and Fairness Hearing. “Final Approval and Fairness Hearing” shall mean the final hearing held to ascertain the fairness, reasonableness, and adequacy of the Class Settlement.

R. Funding Date. “Funding Date” or the date that Defendants will deposit the Gross Settlement Amount with the Settlement Administrator.

1. **Star HR Funding Date.** “Star HR Funding Date” or “Star HR Funding Dates” are the

1 dates that Star HR will pay its share of the Gross Settlement Amount also referred to as
2 the Star HR Gross Settlement Amount to the Settlement Administrator appointed by the
3 Court. Star HR shall pay its share of the Gross Settlement Amount in two equal
4 payments of \$65,000. Star HR shall deposit 50% of the Star HR Gross Settlement
5 Amount or \$65,000.00 no later than December 19, 2025 and the remaining 50% or
6 \$65,000 (\$130,000 total) fifteen calendar days after the Effective Date.

- 7 2. **World Class Funding Date.** “World Class Staffing Services Funding” is the date that
8 World Class will pay its share of the Gross Settlement Amount also referred to as the
9 World Class Gross Settlement Amount to the Settlement Administrator appointed by
10 the Court. World Class shall pay the entirety of its share of the Gross Settlement Amount
11 fifteen calendar days after the Effective Date.

12 S. **Gross Settlement Amount.** “Gross Settlement Amount” or “GSA” is the agreed upon
13 non-reversionary settlement amount totaling \$150,000.00, which represents the non-reversionary amount
14 payable in this Settlement by Defendants and includes attorneys’ fees and costs, costs of settlement
15 administration by the Settlement Administrator, the Service Payment to the Class Representative of up
16 to \$8,000.00, payment in the total amount of \$20,000 for Private Attorneys General Act (“PAGA”)
17 penalties 75% or \$15,000.00 of which will be paid to the Labor & Workforce Development Agency
18 (“LWDA”), and 25% or \$5,000.00 will be included in the amount allocated to the Aggrieved Employees
19 and in the Net Settlement Amount, and the amounts payable to the Settlement Class.

- 20 1. **Star HR Gross Settlement Amount.** “Star HR Gross Settlement Amount” is the
21 agreed upon non-reversionary settlement amount totaling \$130,000.00, which
22 represents the non-reversionary amount payable in this Settlement by Defendant Star
23 HR LLC and includes attorneys’ fees and costs, costs of settlement administration by
24 the Settlement Administrator, any Service Payment to the Class Representative, its share
25 of the PAGA penalties, and the amounts payable to the Settlement Class.

- 26 2. **World Class Gross Settlement Amount.** “World Class Staffing Services Settlement
27 Amount” is the agreed upon non-reversionary settlement amount totaling \$20,000.00,
28 which represents the non-reversionary amount payable in this Settlement by Defendant

World Class Staffing Services LLC and includes attorneys' fees and costs, costs of settlement administration by the Settlement Administrator, any Service Payment to the Class Representative, its share of the PAGA penalties, and the amounts payable to the Settlement Class.

T. Hearing on Preliminary Approval. "Hearing on Preliminary Approval" shall mean the hearing held on the motion for preliminary approval of the Class Settlement.

U. Individual Settlement Amount. "Individual Settlement Amount" shall mean the amount which is ultimately distributed to each Class Participant.

V. Net Settlement Amount. "Net Settlement Amount" shall mean the Gross Settlement Amount minus Settlement Administration Expenses, Class Attorney Fees and Expenses, 75% of the PAGA Payment payable to the California Labor and Workforce Development Agency ("LWDA"), and the Service Award.

W. Opt-Out(s). "Opt-Out(s)" shall mean any and all persons who timely and validly request exclusion from the Class Settlement in accordance with the terms of the Class Notice and no later than the Response Deadline.

X. PAGA Payment. "PAGA Payment" means the penalties pursuant to California Labor Code sections 2698, et seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA"), that the Parties have agreed is a reasonable sum to be paid in settlement of the PAGA claims included in the Action, which is \$20,000.00 for Private Attorneys General Act ("PAGA") penalties 75% or \$15,000.00 of which will be paid to the Labor & Workforce Development Agency ("LWDA"), and 25% or \$5,000.00 will be included in the amount allocated to the Settlement Class. Class Counsel shall give timely notice of the Class Settlement to the LWDA under Labor Code section 2699(1)(2). Since PAGA does not permit employees to opt-out, any Class Member who opts out shall still receive their pro-rata share of the PAGA penalties. *Baumann v. Chase Inv. Servs. Corp.*, 747 F.3d 1117, 1122 (9th Cir. 2014) (explaining that PAGA "has no notice requirement for unnamed aggrieved employees, nor may such employees opt out of a PAGA action."); *accord Arias v. Sup. Ct.* 46 Cal.4th 969, 986-987 (2009); *Williams v. Sup. Ct.*, 3 Cal.5th 531, 547, fn. 4 (2017) (explaining that aggrieved employees "do not own a personal claim for PAGA civil penalties...and whatever personal claims the absent employees might have for relief are not

at stake”).

Y. PAGA Period or PAGA Covered Period. “PAGA Period” or “PAGA Covered Period” shall mean the period from June 8, 2022 and October 15, 2023.

Z. PAGA Released Claims. “PAGA Released Claims” shall mean any claim for PAGA penalties under Labor Code section 2699 for violations of Labor Code section 226 during the PAGA Covered Period (June 8, 2022 and October 15, 2023) that were alleged or reasonably could have been alleged based upon the facts stated in the June 8, 2023 PAGA Notice, the September 29, 2023 Amended PAGA Notice, and the May 3, 2024 Amended PAGA Notice.

AA. PAGA Representative. “PAGA Representative” shall mean Plaintiff Jose Rodriguez.

BB. Parties. “Parties” shall mean Plaintiff and Defendant.

CC. Pay Period. “Pay Period” or “Pay Periods” shall mean any pay period that an individual worked at least one shift.

DD. Plaintiff. “Plaintiff” shall mean the named Plaintiff Jose Rodriguez.

EE. Preliminary Approval Date. “Preliminary Approval Date” shall mean the date upon which the Court enters an order preliminarily approving this Stipulation.

FF. Release Effective Date. “Release Effective Date” means the date upon which Defendants shall be released of the Released Claims and is the Effective Date for Defendants Star HR LLC and World Class Staffing Services LLC; however, the release shall not be effective as to the owners, officers, directors, managers, and attorneys of any Defendant who fails to deposit its share of the Gross Settlement Amount (\$130,000 for Star HR LLC and \$20,000 for World Class Staffing Services LLC) in accordance with the Funding Date. The Release Effective Date applies to both the Class Released Claims and the PAGA Released Claims.

GG. Released Claims. “Released Claims” means the Class Released Claims and the PAGA Released Claims.

HH. Response Deadline. “Response Deadline” shall mean the date sixty (60) days following the date on which the Settlement Administrator first mails Class Notice to the Settlement Class Members.

II. Service Award. “Service Award” shall mean the amount approved by the Court, not to exceed \$8,000.00, to be paid to the Class Representative in recognition of his efforts and time on behalf

of the Class and as consideration for a full, general, and comprehensive release and Civil Code section 1542 waiver of the Class Representative's Released Claims.

JJ. Settlement. "Settlement" shall mean the settlement between the Parties, which is memorialized in this Stipulation and subject to approval by the Court.

KK. Settlement Administrator. "Settlement Administrator" shall mean ILYM Group, Inc. who will be responsible for administration of the Settlement and related matters.

LL. Stipulation. "Stipulation" shall mean this Joint Stipulation of Class and PAGA Settlement.

II. FACTUAL AND PROCEDURAL BACKGROUND OF ACTION

A. Plaintiff's Claims and Procedural History. Plaintiff alleges that Defendants failed to provide accurate itemized wage statements to Plaintiff, the Class, and the Aggrieved Employees that include the name and address of the employer and failed to include the rate of pay and the total hours worked for each temporary services assignment in violation of Labor Code § 226. On June 8, 2023, Plaintiff filed a PAGA Notice with the California Labor and Workforce Development Agency. On July 12, 2023, Plaintiff filed a Class Action Complaint in San Bernardino County Superior Court alleging a single cause of action for failure to provide accurate itemized wage statements in violation of Labor Code § 226. Shortly thereafter, on August 14, 2023, Plaintiff filed a First Amended Complaint that added a single cause of action for PAGA penalties based upon Defendants' alleged failure to provide accurate itemized wage statements. On September 29, 2023, Plaintiff filed an Amended PAGA Notice containing a number of additional alleged wage and hour violations. Following the entry of a stipulation granting leave to amend, Plaintiff filed a Second Amended Complaint adding claims for a number of other alleged wage and hour violations on both a Class and PAGA basis on December 1, 2023. Following extensive settlement negotiations, the Parties reached the Proposed Settlement. At all times, the Parties' settlement negotiations have been non-collusive, adversarial, and at arm's length.

B. Discovery, Investigation, and Research. In advance of the Mediation and the submission of the Preliminary Approval Papers, Class Counsel conducted a detailed investigation of the Settlement Class' putative claims. Defendants provided informal discovery including: (a) the number of Class Members/Aggrieved Employees (422), the number of pay periods at issue (7,746); (b) investigation

1 into the viability of class treatment of the claims asserted in the Action; (c) analysis of potential class-
2 wide damages, including information sufficient to understand Defendant's potential defenses to Plaintiff
3 and the Settlement Class Members' claims; (d) research of the applicable law with respect to the claims
4 asserted in the Complaint and the potential defenses thereto; (e) review and analysis of information
5 provided by Defendants about their relevant policies and practices.

6 The Parties agree that the above-described investigation and evaluation, as well as discovery and
7 the information exchanged during the settlement negotiations, are more than sufficient to assess the
8 merits of the Parties' respective positions and to compromise the issues on a fair and equitable basis. The
9 Parties have engaged in sufficient investigation and discovery to assess the relative merits of the claims
10 of the Class Representative and PAGA Representative and of Defendants' defenses to them.

11 **C. Benefits of Class Settlement.** The extensive informal discovery conducted in this matter
12 have been adequate to give the Class Representative and Class Counsel a sound understanding of the
13 merits of their positions and to evaluate the worth of the claims of the Settlement Class. The informal
14 discovery conducted in this Action and the information exchanged by the Parties through discovery and
15 settlement discussions are sufficient to reliably assess the merits of the Parties' respective positions and
16 to compromise the issues on a fair and equitable basis.

17 Plaintiff and Class Counsel believe that the claims, causes of action, allegations and contentions
18 asserted in the Action have merit. Class Counsel has diligently pursued an investigation of Plaintiff's
19 claims against Defendants and Releasees. Based on their own independent investigation and evaluation,
20 Class Counsel is of the opinion that settlement with Defendants and Releasees for the consideration and
21 on the terms set forth in this Settlement is fair, reasonable, and adequate, and is in the best interest of the
22 Settlement Class in light of all known facts and circumstances and the various factual and legal defenses
23 asserted by Defendants and the financial condition of World Class.

24 Plaintiff and Class Counsel also recognize and acknowledge the expense and delay of continued
25 lengthy proceedings necessary to prosecute the Action against Defendant through trial and through
26 appeals. Class Counsel has taken into account the uncertain outcome of the litigation, the risk of
27 continued litigation in complex actions such as this, as well as the difficulties and delays inherent in such
28 litigation. Plaintiff is mindful of the potential challenges and possible defenses to the claims alleged in

1 the Action.

2 Plaintiff and Class Counsel believe that the Settlement set forth in this Stipulation confers
3 substantial benefits upon Plaintiff and the Settlement Class Members and that an independent review of
4 this Stipulation by the Court in the approval process will confirm this conclusion. Based on their own
5 independent investigation and evaluation, Class Counsel has determined that the Settlement set forth in
6 the Stipulation is in the best interests of Plaintiff and the Settlement Class Members.

7 **D. Defendants' Denials of Wrongdoing and Liability.** Defendants have denied and
8 continue to deny each and all of the allegations, claims, and contentions alleged by Plaintiff in the Action.
9 Defendants have expressly denied and continue to deny all charges of intentional or knowing wrongdoing
10 or liability against them arising out of any of the conduct, statements, acts, or omissions alleged in the
11 Action. Defendants contend that there is a good faith dispute as to whether they intentionally or
12 knowingly failed to comply in good faith with California's law related to the issuance of itemized wage
13 statements, that no Class Member or Aggrieved Employee was injured, and they have dealt legally and
14 fairly with Plaintiff and Settlement Class Members. Defendants further deny that, for any purpose other
15 than settling this Action, these claims are appropriate for class or representative treatment. Nonetheless,
16 Defendants have concluded that further proceedings in the Action would be protracted and expensive and
17 that it is desirable that the Action be fully and finally settled in the manner and upon the terms and
18 conditions set forth in this Stipulation in order to dispose of burdensome and protracted litigation, and to
19 avoid further expensive litigation. Defendants have also taken into account the uncertainty and risks
20 inherent in any litigation, especially in complex cases such as the Action. Defendants have, therefore,
21 determined that it is desirable and beneficial to it that the Action be settled in the manner and upon the
22 terms and conditions set forth in this Stipulation.

23 **E. Intent of the Class Settlement.** The Class Settlement set forth herein intends to achieve
24 the following: (1) entry of an order approving the Class Settlement; (2) entry of judgment of the Action;
25 (3) discharge of Defendants and Released Parties from liability for any and all of the Released Claims
26 and any and all claims arising out of the Action; however, the releases for any potential Defendants under
27 Labor Code section 558.1 are not effective for each Defendant until they have paid their share of the
28 Gross Settlement Amount (\$130,000 for World Class and \$20,000 for Star HR).

1 **III. CONDITIONAL CLASS CERTIFICATION AND APPOINTMENT OF CLASS**
2 **COUNSEL**

3 **A. The Settlement Class.** For the purposes of this Stipulation and the Class Settlement of
4 this Action only, the Parties stipulate to conditional class certification of the Settlement Class.
5 Defendants' Counsel believes this conditional certification is appropriate because the Released Claims
6 are being compromised without need to establish the elements of those claims on which liability turns.

7 **B. Appointment of Class Counsel.** For purposes of this Stipulation and subject to the
8 Court's approval, the Parties hereby stipulate to the appointment of Class Counsel as counsel for the
9 Class and the effectuation of the Class Settlement pursuant to this Stipulation.

10 **IV. CLASS SETTLEMENT CONSIDERATION**

11 **A. Settlement Amount.** The Parties agree to settle this Action for the Gross Settlement
12 Amount of \$150,000.00. There shall be no reversion to Defendants or Releasees. The Gross Settlement
13 Amount and other actions and forbearances taken by Defendants and Releasees shall constitute adequate
14 consideration for the Class Settlement and will be made in full and final settlement of: (a) the Released
15 Claims, (b) Class Attorneys' Fees and Expenses, (c) Settlement Administrative Expenses, (d) the Service
16 Award, (e) PAGA Payment to the LWDA, and (f) any other obligation of Defendant and Releasees under
17 this Stipulation. After the Court issues an order preliminarily approving this Class Settlement, the
18 Settlement Administrator will distribute the Class Notice to the Settlement Class Members, which shall
19 describe the terms of the Class Settlement and procedures to opt out, object or participate in the Class
20 Settlement.

21 **B. Service Award for the Class Representative.** The Class Representative may petition the
22 Court to approve a Service Award in an amount up to \$8,000.00 for his efforts on behalf of the Settlement
23 Class in this Action, including assisting in the investigation and consulting with Class Counsel and
24 providing crucial documents to Class Counsel. Defendants and Releasees shall not oppose any request
25 by the Class Representative for a Service Award in such an amount. Any Service Award approved by the
26 Court shall be paid to the Class Representative from the Gross Settlement Amount and shall be in addition
27 to any distribution to which he may otherwise be entitled as a Settlement Class Member and Aggrieved
28 Employee. The Service Award shall not be considered wages, and the Settlement Administrator shall

1 issue the Class Representative an IRS Form 1099 reflecting such payment. The Class Representative
2 shall be responsible for the payment of any and all taxes with respect to his Service Award and shall hold
3 Defendants and Releasees harmless and indemnify Defendants and Releasees from any and all liability
4 with regard thereto. If Plaintiff's request for a service award is not approved or is reduced by the Court,
5 the fact the amount was reduced shall not be cause to cancel the Agreement and any amount not approved
6 or reduced by the Court added to the amount of the Net Settlement to be distributed to the participating
7 Class Members.

8 **C. Payment to Class Participants.** Each Class Participant shall be eligible to receive
9 payment of the Individual Settlement Amount and shall receive a portion of the Net Settlement Amount
10 on a pro rata basis calculated by dividing the total number of pay periods worked by an individual Class
11 Participant during the Class Period by the total number of pay periods worked by all Class Participants
12 during the Class Period. As to a Class Member who opts out of the Settlement by submitting a valid
13 Request for Exclusion (as defined below) and/or whose Notice of Settlement is determined to be
14 undeliverable after reasonable re-mailing efforts made by the Settlement Administrator, the Class
15 Member's Total Settlement Payment will not be paid to the Class Member and will be added to the Net
16 Settlement Amount and re-distributed among eligible Participating Class Members on a pro-rata basis.

17 **D. Payment to Aggrieved Employees.** The portion of the PAGA penalty payment allocated
18 to the Aggrieved Employees who worked during the PAGA Covered Period (June 8, 2022 and October
19 15, 2023), shall be distributed to the Aggrieved Employees who worked during the PAGA Covered
20 Period regardless of whether or not they opt out of the Settlement will be calculated on a pro-rata basis
21 by dividing the total number of pay periods worked by an individual Aggrieved Employee during the
22 PAGA Covered Period by the total number of pay periods worked by all Aggrieved Employees.

23 **E. Tax Treatment and Payment.** Because this is a settlement for penalties only, the Parties
24 agree that 100% of each settlement amount shall constitute penalties to be reported on an IRS form 1099
25 basis. The Parties understand that Plaintiff and the Class Participants who receive any payment pursuant
26 to this Stipulation shall be solely responsible for any and all other individual tax obligations associated
27 with this Class Settlement and Defendants shall have no responsibility for state or federal income tax
28 payments on the Individual Settlement Payments.

1 **F. No Effect on Employee Benefit Plans.** Neither the Class Settlement nor any amounts
2 paid under the Class Settlement will modify any previously credited hours, days, or weeks of service
3 under any employee benefit plan, policy or bonus program sponsored by Defendant or Releasees. Such
4 amounts will not form the basis for additional contributions to, benefits under, or any other monetary
5 entitlement under Defendants or Releasees' sponsored benefit plans, policies, or bonus programs. The
6 payments made under the terms of this Stipulation shall not be applied retroactively, currently, or on a
7 going forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of
8 any of Defendants or Releasees' benefit plan, policy, or bonus program. Defendant and Releasees retain
9 the right to modify the language of its benefits plans, policies and bonus programs to effect this intent
10 and to make clear that any amounts paid pursuant to this Stipulation are not for "pay periods" or any
11 similar measuring term as defined by applicable plans, policies and bonus programs for purpose of
12 eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are
13 not required by this Stipulation. Defendant and Releasees do not consider the Class Settlement payments
14 "compensation" for purposes of determining eligibility for, or benefit accrual within, any benefit plans,
15 policies, or bonus programs, or any other plan sponsored by Defendant or Releasees.

16 **G. Class Counsels' Attorneys' Fees and Expenses.** As part of the motion for final approval
17 of the Class Settlement, Class Counsel may submit an application for an award of Class Attorney Fees
18 and Expenses with the fee portion not to exceed one third of the Gross Settlement Amount (*i.e.*,
19 \$50,000.00) and the award of costs and expenses of up to an additional \$8,000.00. Defendants and
20 Releasees agree not to object to any such fee, cost, or expense application in those amounts. As a
21 condition of this Class Settlement, Class Counsel has agreed to pursue fees only in the manner reflected
22 by this Section except in the event of a breach of this Stipulation or fees incurred to enforce the Parties'
23 Settlement. Any Class Attorneys' Fees and Expenses awarded by the Court shall be paid from the Gross
24 Settlement Amount in arriving at the Net Settlement Amount and shall not constitute payment to any
25 Settlement Class Members. If Class Counsel voluntarily reduces the request for Class Attorney Fees or
26 Expenses or if the Court's award of Class Attorney Fees or Expenses is less than set forth above, the Net
27 Settlement Amount shall be recalculated to reflect the actual Class Attorney Fees and Expenses awarded
28 and such amounts shall be distributed to the Class.

1 The Class Attorney Fees and Expenses approved by the Court shall encompass: (a) all work
2 performed and costs and expenses incurred by, or at the direction of, any attorney purporting to represent
3 the Settlement Class through the date of this Stipulation; (b) all work to be performed and costs to be
4 incurred in connection with approval by the Court of the Class Settlement; (c) all work to be performed
5 and costs and expenses, if any, incurred in connection with administering the Class Settlement through
6 the Effective Date and dismissal of the Action, with prejudice; and (d) may be based on the Catalyst
7 Theory, Common Fund Doctrine, and/or other basis.

8 **V. SETTLEMENT ADMINISTRATION COSTS AND EXPENSES**

9 **A. The Settlement Administrator's Costs and Expenses.** All costs and expenses due to
10 the Settlement Administrator in connection with its administration of the Class Settlement, including, but
11 not limited to, providing the Class Notice, locating Settlement Class Members, processing Opt-Out
12 requests and objections, and calculating, administering, and distributing Individual Settlement Amounts
13 to the Class Participants and related tax forms, shall be paid from the Gross Settlement Amount, and shall
14 not exceed \$15,000.00.

15 **B. Payment by Defendant.** Defendants will deposit their respective shares of the Gross
16 Settlement Amount on the Funding Date.

17 **VI. NOTICE TO CLASS MEMBERS AND CLAIMS ADMINISTRATION PROCESS**

18 **A. The Settlement Administrator.** The Settlement Administrator will be responsible for
19 mailing the Class Notice to Settlement Class Members, handling inquiries from Settlement Class
20 Members concerning the Class Notice, determination of Individual Settlement Amounts, maintaining the
21 settlement funds in an appropriate account, preparing, administering and distributing Individual
22 Settlement Amounts to Class Participants, issuing a final report and performing such other duties as the
23 Parties may direct.

24 On a weekly basis, the Settlement Administrator will provide reports to Class Counsel and
25 Defense Counsel summarizing any relevant information and updating them as to the number of validated
26 and timely objections and Opt-Out Requests. The Settlement Administrator will serve on Class Counsel
27 and Defense Counsel, via e-mail, date-stamped copies of any objections received no later than five (5)
28 days after their receipt. The Settlement Administrator will provide Class Counsel with proof of mailing

1 of the Class Notice, without listing individual Class Member names which the Settlement Administrator
2 will file with the Court at the time Class Counsel files its motion in support of the Court's Final Approval
3 and Fairness Hearing.

4 No later than fourteen (14) days prior to the Final Approval and Fairness Hearing, the Settlement
5 Administrator will compile and deliver to Class Counsel and Defense Counsel a report with summary
6 information regarding (a) the total amount of final Individual Settlement Amounts of each Class
7 Participant (b) the number of Class Participants to receive such payments, and (c) the final number of
8 Opt-Outs and objections.

9 Administrative Expenses are estimated to be \$10,000.00. Prior to the calculation and distribution
10 of the Individual Settlement Amounts, the Settlement Administrator shall calculate the total
11 Administrative Expenses through the conclusion of their services and such actual amount will be
12 deducted from the Gross Settlement Amount prior to the final calculation of the Individual Settlement
13 Amounts. If the cost of administration is more than \$10,000.00, the additional cost will come from the
14 Gross Settlement Amount.

15 **B. Notice to Settlement Class Members.** Notice shall be provided to Settlement Class
16 Members in the following manner: Within 14 days after the Preliminary Approval Date, Defendants shall
17 provide the Settlement Administrator with a list of Class Members containing names, social security
18 numbers, last-known addresses, and the total number of pay periods worked by each Class Member
19 during the Class Period (the "Database").

20 Within 28 days following the Preliminary Approval Date, the Settlement Administrator shall
21 determine the number of pay periods for each Settlement Class Member based on information provided
22 by Defendants and will perform a national change of address search for each Class Member, update the
23 results based upon the search results, populate the data for the estimated Individual Settlement Amount
24 for each Settlement Class Member, and send each Settlement Class Member the Class Notice via first-
25 class, United States mail. The Class Notice shall also contain an easily understood statement alerting the
26 Class Members that, unless they elect to Opt-Out of the Class Settlement, the Settlement Class Member
27 is releasing and waiving all Released Claims against the Released Parties.

28 The Class Notice will inform Settlement Class Members of the general terms of the Settlement

1 and his/her estimated Individual Settlement Amount share. The Class Notice shall be distributed in
2 English and Spanish. Class Members may dispute Defendants' records of the number of pay periods
3 worked during the Class Period by submitting information to the Settlement Administrator no later than
4 60 days after being mailed the Class Notice by the Settlement Administrator, which is the defined
5 "Response Deadline." Class Members may submit disputes directly to the Settlement Administrator by
6 mail, fax, or personal delivery or other similar method. The Settlement Administrator will jointly work
7 with Defendants, Defense Counsel, and Class Counsel to resolve any disputes in good faith. If the Parties
8 cannot agree over the pay periods to be credited, the Settlement Administrator shall make the final
9 decision based on the information presented by the Settlement Class Member and Defendant.

10 **C. Opt-Out Procedure.** Settlement Class Members who do not timely Opt-Out of the Class
11 Settlement will be deemed to participate in the Class Settlement and shall become a Class Participant
12 without having to submit a claim form or take any other action. In order to Opt-Out of the Class
13 Settlement, the Settlement Class Member must submit a letter or postcard to the Settlement Administrator
14 by the Response Deadline. The Opt-Out request must state the Settlement Class Member's name and
15 address for correspondence and identity verification purposes, signature, and should state words to the
16 effect of, "I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN RODRIGUEZ VS.
17 WORLD CLASS STAFFING SERVICES LLC." or otherwise evidence a clear intent to be excluded
18 from the Settlement. A request for exclusion or Opt-Out shall not be deemed invalid if it does not include
19 the exact phrase "I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN RODRIGUEZ
20 VS. WORLD CLASS STAFFING SERVICES LLC" as long as the Class Members intent to exclude
21 themselves is evident from the submission. Absent a good cause finding by the Court, any Opt-Out
22 request that is not postmarked by the Response Deadline will be invalid. In the event that, prior to the
23 Response Deadline, any Class Notice mailed to a Settlement Class Member is returned as having been
24 undelivered by the U.S. Postal Service, the Settlement Administrator shall perform a skip trace search
25 and seek an address correction for such Settlement Class Member(s), and a second Class Notice will be
26 sent to any new or different address obtained. Such Settlement Class Member(s) shall have an additional
27 14 days in which to Opt-Out.

28 If the Settlement Administrator determines that an Opt-Out request returned by a Settlement Class

1 Member before the Response Deadline is deficient, then the Settlement Administrator shall mail a
2 deficiency letter to that Settlement Class Member identifying the problem. If a Settlement Class Member
3 submits both a dispute and an Opt-Out request, the Settlement Administrator shall make reasonable
4 attempts to clarify as if the Opt-Out request were deficient. If the Class Member fails to cure the
5 deficiency, the Opt-Out request shall be disregarded and the claim will be paid, and the Class Member
6 will become bound by the judgment. Those Settlement Class Members who do not timely Opt-Out will
7 be bound by the Release of Released Claims set forth in this Stipulation.

8 **D. Objections.** The Class Notice shall inform the Settlement Class Members of their right
9 to object to the Class Settlement. Any Settlement Class Member who wishes to object to the Class
10 Settlement should submit a written objection to the Settlement Administrator no later than the Response
11 Deadline. All Class Member objections should include the Class Member's name and current address for
12 correspondence and identity verification purposes, provide each specific reason in support of the
13 objection, be signed by the Class Member, and be postmarked by the Response Deadline. Class Members
14 do not need to include legal arguments for their written objections to be considered. Class Members who
15 do not submit a timely written objection may still appear at the final approval and fairness hearing and
16 to speak about any potential objection at the hearing. If an objector wishes to appear at the Final Approval
17 and Fairness Hearing, in person or through an attorney, he or she need not file a notice of intention to
18 appear at the same time as the objection is filed. Filing a notice of intention to appear is not necessary to
19 preserve the right to appear at the Final Approval and Fairness Hearing. Absent Class Members need not
20 file anything with the Court. The Settlement Administrator will promptly serve copies of any objection
21 or notice of intention to appear on Class Counsel and Defense Counsel. Settlement Class Members may
22 appear at the Final Approval Hearing, either in person (to the extent permitted by the Court), through a
23 remote method authorized by the Court, or through a lawyer retained at their own expense. If a Class
24 Member submits both a Request for Exclusion and a written objection, the Settlement Administrator shall
25 attempt to contact and determine whether the Class Member would like to withdraw either the Request
26 for Exclusion or the objection. If the Class Member does not withdraw the Request for Exclusion or if
27 the Settlement Administrator cannot contact a Class Member who submits both a Request for Exclusion
28 and an objection, the Request for Exclusion shall be valid, and it shall be presumed that the Class Member

1 does not wish to participate in the Settlement.

2 **E. Settlement Administrator Declaration.** At least 30 days prior to the Final Approval and
3 Fairness Hearing, the Settlement Administrator shall provide Class Counsel and Defense Counsel with a
4 Declaration of Due Diligence and Proof of Mailing with regard to the mailing of the Class Notice and its
5 attempts to locate Class Members. The declaration shall specify the number of Settlement Class Members
6 to whom Class Notices were sent and the number of Settlement Class Members to whom Class Notices
7 were not delivered, as well as information relating to the number of Opt-Outs and objectors. Class
8 Counsel shall file this declaration with the Court.

9 **VII. CLASS SETTLEMENT FUNDING AND DISTRIBUTION**

10 **A. Allocation of the Gross Settlement Amount.** The claims of all Settlement Class
11 Members are settled for the Gross Settlement Amount of \$150,000.00, which will be allocated as follows:

- 12 1. The Administrative Expenses, estimated not to exceed \$10,000.00;
- 13 2. The Class Attorney Fees and Expenses not to exceed \$50,000.00 in fees and expenses not
14 to exceed \$8,000.00;
- 15 3. PAGA Payment of \$20,000.00, of which \$15,000.00 shall be paid to the LWDA;
- 16 4. Service Award, not to exceed \$8,000.00; and
- 17 5. The Net Settlement Amount, when including the Aggrieved Employees' \$5,000 share of
18 PAGA employees is estimated to be \$59,000.00.

19 For purposes of calculating the estimated Individual Settlement Amounts, the Settlement
20 Administrator shall calculate the estimated Net Settlement Amount based on the estimated values in
21 Section VII(A)(1-4) prior to sending Notice to the Settlement Class Members. Prior to final distribution,
22 the Settlement Administrator shall calculate the final Net Settlement Amount based on the actual values
23 in Section VII(A)(1-4).

24 **B. Calculation of the Individual Settlement Amounts.** Individual Settlement Amounts to
25 be paid to Class Participants shall be paid from the Net Settlement Amount. The portion of the Net
26 Settlement Amount payable to each Class Participant will be calculated as follows: the Settlement
27 Administrator shall divide the Net Settlement Amount by the total number of pay periods worked by
28 Class Members during the Class Period in order to determine the amount each Class Member is entitled

1 to for each pay period s/he was employed by Defendant during the Class Period (“Pay Period Amount”).
2 The Settlement Administrator will multiply the Pay Period Amount by the total number of pay periods
3 worked by each Class Member during the Class Period to arrive at the Individual Settlement Amount for
4 each Class Member. As to a Class Member who opts out of the Settlement by submitting a valid Request
5 for Exclusion (as defined below) and/or whose Notice of Settlement is determined to be undeliverable
6 after reasonable re-mailing efforts made by the Settlement Administrator, the Class Member’s Individual
7 Settlement Payment will not be paid to the Class Member and will be added to the Net Settlement Amount
8 and re-distributed among eligible Participating Class Members on a pro-rata basis.

9 The Aggrieved Employees’ 25% of the PAGA Penalties will be calculated and distributed to the
10 Aggrieved Employees on a pro-rata basis based upon the number of pay periods worked during the PAGA
11 Covered Period. The allocation amongst the Aggrieved Employees shall be determined by dividing the
12 entire PAGA Fund allocated to the Aggrieved Employees by the number of pay periods in the PAGA
13 Period. The resulting amount shall be the PAGA Pay Period Amount. Each Aggrieved Employee,
14 including Plaintiff, shall receive a pro rata value equal to the number of pay periods worked during the
15 PAGA Period multiplied by the PAGA Pay Period amount Each Aggrieved Employee’s pro-rata share
16 of the PAGA Penalty Fund represents their share of the 25% in PAGA penalties distributable to the
17 Aggrieved Employees.

18 Defendants and Releasees shall have no responsibility for deciding the validity of the Individual
19 Settlement Amounts or any other payments made pursuant to this Stipulation, shall have no involvement
20 in or responsibility for the determination or payment of Employee’s Taxes, and shall have no liability for
21 any errors made with respect to such Employee’s Taxes. Plaintiff and Class Participants shall be solely
22 responsible for any and all tax obligations associated with their respective Individual Settlement
23 Amounts.

24 **C. Time for Payment of Attorney Fees and Expenses to Class Counsel.** The Settlement
25 Administrator shall distribute to Class Counsel the attorneys’ fees and expenses approved by the Court
26 to Class Counsel no later than 15 days after Defendants deposit the entirety of the Gross Settlement
27 Amount with the Settlement Administrator.

28 **D. Time for Payment of Service Award to Class Representative.** The Settlement

1 Administrator shall distribute to the Class Representative any Service Award approved by the Court no
2 later than 15 days after Defendants deposit the entirety of the Gross Settlement Amount with the
3 Settlement Administrator.

4 **E. Time for Payment of PAGA Payment to the LWDA.** The Settlement Administrator
5 shall distribute to the LWDA the portion of the PAGA Payment due to it and approved by the Court no
6 later than 15 days after Defendants deposit the entirety of the Gross Settlement Amount with the
7 Settlement Administrator.

8 **F. Time for Payment of Individual Settlement Amounts.** The Settlement Administrator
9 shall mail the Individual Settlement Amount to each Class Participant, by first-class U.S. mail, to the
10 last-known address no later than 15 days after the Defendants deposit the Gross Settlement Amount with
11 the Settlement Administrator. Under no circumstances shall the Settlement Administrator distribute
12 checks to Class Participants until all Individual Settlement Amounts have been considered, calculated,
13 and accounted for, and all of the remaining monetary obligations have been calculated and accounted for.
14 Within 200 days of the distribution of the Class' Individual Settlement Shares, the Settlement
15 Administrator shall provide to Class Counsel a declaration that provides sufficient information to allow
16 the Court to conduct a compliance hearing in accordance with Code of Civ. Proc. § 384. In the event that
17 any Class Participant is deceased, payment shall be made payable to the estate of that Settlement Class
18 Member and delivered to the executor or administrator of that estate, unless the Settlement Administrator
19 has received an affidavit or declaration pursuant to Cal. Probate Code § 13101, in which case payment
20 shall be made to the affiant(s) or declarant(s).

21 **G. Non-Cashed Settlement Checks.** Any funds associated with checks that have not been
22 cashed within 180 days, will become void and the Individual Settlement Amount associated with the un-
23 cashed check shall be paid out in accordance with Civil Code section 384 to a *cy pres* agreed to by the
24 Parties as required by Code of Civil Procedure section 384 or any other method of distribution consistent
25 with Code of Civil Procedure section 384. The *cy pres* recipient shall be CASA of San Bernardino County
26 or other mutually agreeable *cy pres* recipient should the Court not approve the Parties' proposed
27 beneficiary and/or as otherwise consistent with Code of Civil Procedure section 384. The Parties, Class
28

Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended *cy pres* Recipient.

VIII. NULLIFICATION OF THIS STIPULATION

A. Non-Approval of the Stipulation. In the event that the Court fails to approve the Settlement under the terms agreed to by the Parties, or if the appropriate appellate court fails to uphold or affirm the Settlement or if the Settlement Agreement is otherwise terminated: (1) the Settlement Agreement shall have no force and effect and the parties shall be restored to their respective positions prior to entering into it, and no Party shall be bound by any of the terms of the Settlement Agreement; (2) Defendants and Releasees shall have no obligation to make any payments to the Settlement Class Members, Plaintiff, or Plaintiff's counsel; (3) all amounts deposited by Defendants with the Settlement Administrator shall immediately be returned to the Defendant who paid the funds to the Settlement Administrator; (4) any preliminary approval order, final approval order or judgment, shall be vacated; and (5) the Settlement Agreement and all negotiations, statements, proceedings and data relating thereto shall be deemed confidential mediation settlement communications and not subject to disclosure for any purpose in any proceeding. However, the Parties shall first make good faith efforts to resolve any issues raised by the Court during the approval process.

B. Parties' Rights to Void Class Settlement. In the event that more than 10% of the Class Members submit elections to opt-out of the settlement, Defendants will have the right to rescind and terminate the Settlement without prejudice to its pre-settlement positions and defenses in the litigation. Should the threshold for opt-outs be exceeded, the Settlement Administrator shall notify lead counsel for all parties via email immediately. Should any Party choose to void the Class Settlement under this paragraph, such Party shall be responsible for all Settlement Administrator fees and costs actually incurred.

C. Amounts Not Awarded by the Court. In the event that the Court does not award any of the requested attorneys' fees, costs, settlement administration costs, and/or service awards, any amount not approved or awarded by the Court added to the amount of the Net Settlement to be distributed to the participating Class Members. The fact that such amounts were not awarded and/or were reduced shall not be cause to cancel the Agreement

1 **D. Invalidation.** Invalidation of any material portion of the Class Settlement shall invalidate
2 the Class Settlement in its entirety, unless the Parties shall subsequently agree in writing that the
3 remaining provisions of the Class Settlement are to remain in full force and effect.

4 **E. Stay Upon Appeal.** In the event of a timely appeal from the approval of the Class
5 Settlement and judgment by a class member who submits an objection, the judgment shall be stayed, and
6 Defendants shall not be obligated to fund the Gross Settlement Amount or take any other actions required
7 by this Stipulation until all appeal rights have been exhausted by operation of law.

8 **F. Defendants and Releasees Waiver of the Right to Appeal.** Defendants and Releasees
9 Scott Hanson and Beatriz Power hereby waive the right to appeal and shall not be entitled to appeal any
10 aspect of the Parties' Proposed Settlement.

11 **IX. MOTION FOR COURT APPROVAL**

12 **A. Preliminary Approval.** Class Counsel will submit this Stipulation to the Court along
13 with a Motion for Preliminary Approval of the Class Settlement.

14 **B. Final Approval.** The Final Approval and Fairness Hearing shall be held before the Court
15 unless the Court orders otherwise. At the Final Approval and Fairness Hearing, Plaintiff shall move the
16 Court for the entry of the final order certifying the Class for settlement purposes only and approving the
17 Class Settlement as being fair, reasonable, and adequate to the Class Participants within the meaning of
18 California Rules of Court, Rule 3.769(c), (d) and (e) and for the entry of a final judgment of the Action
19 consistent with the terms of the Class Settlement and California Rule of Court 3.769(h). Class Counsel
20 and Defense Counsel shall submit to the Court such pleadings and/or evidence as may be required for the
21 Court's determination. The Parties will comply with the Court's Procedural Guidelines for final Approval
22 of Class Action Settlements and with Code of Civ. Proc. § 384 that the Parties participate in a compliance
23 hearing regarding the distribution of funds unless the Court takes such a hearing off-calendar after
24 reviewing the Settlement Administrator's declaration of compliance or pursuant to another Court order.

25 **X. RELEASES AND WAIVERS**

26 **A. Release of Claims by Settlement Class.** It is the desire of the Parties and the Settlement
27 Class Members to fully, finally, and forever settle, compromise, and discharge the Released Claims.
28 Upon the Effective Date, each Settlement Class Member who has not submitted a timely Opt-Out request,

1 and Plaintiff, each release the Defendant and, and each of them, of and from any and all Released Claims
2 during the Class Period; however, the Release shall not be effective as to the owners, officers, directors,
3 managers, and attorneys of any Defendant who fails to deposit its share of the Gross Settlement Amount
4 (\$130,000 for Star HR LLC and \$20,000 for World Class Staffing Services LLC) in accordance with
5 Funding Date. Each Settlement Class Member, except those who timely Opt-Out, will be bound to the
6 release of Released Claims as a result of the Class Settlement and to the terms of the final judgment and
7 the satisfaction of such judgment.

8 **B. Release of Claims by Aggrieved Employees.** Upon the Effective Date, regardless of
9 whether they are Class Members or Class Participants and submitted a valid Request for Exclusion, the
10 State of California and all Aggrieved Employees shall fully, finally, and forever settle, compromise, and
11 discharge the PAGA Released Claims brought pursuant to PAGA; however, the PAGA Release shall not
12 be effective as to the owners, officers, directors, managers, and attorneys of any Defendant who fails to
13 deposit its share of the Gross Settlement Amount (\$130,000 for Star HR LLC and \$20,000 for World
14 Class Staffing Services LLC) in accordance with Funding Date.

15 **C. Release of Claims by Plaintiff.**
16 Plaintiff, on behalf of himself and his heirs, executors, administrators, and representatives, shall
17 and does hereby forever releases, discharges and agrees to hold harmless the Released Parties from any
18 and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies,
19 damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses (including
20 attorney fees and costs), known or unknown, at law or in equity, which they may now have or may have
21 after the signing of this Stipulation, arising out of or in any way connected with his employment with
22 Defendants and Releasees including, the Released Claims, claims that were asserted or could have been
23 asserted in the Complaint, and any and all transactions, occurrences, or matters between the Parties
24 occurring prior to the date this Stipulation is fully executed. Without limiting the generality of the
25 foregoing, this release shall include, but not be limited to, any and all claims under the (a) Americans
26 With Disabilities Act, as amended; (b) Title VII of the Civil Rights Act of 1964, as amended; (c) the
27 Civil Rights Act of 1991; (d) 42 U.S.C. § 1981, as amended; (e) the Age Discrimination in Employment
28 Act, as amended; (f) the Fair Labor Standards Act, as amended; (g) the Equal Pay Act; (h) the Employee

1 Retirement Income Security Act, as amended; (i) the Consolidated Omnibus Budget Reconciliation Act;
2 (j) the Rehabilitation Act of 1973; (k) the Family and Medical Leave Act; (l) the Civil Rights Act of
3 1966; (m) the California Fair Employment and Housing Act; (n) the California Constitution; (o) the
4 California Labor Code; (p) the California Government Code; (q) the California Civil Code; (r) the
5 California Wage Orders, and (s) any and all other federal, state and local statutes, ordinances, regulations,
6 rules and other laws, and any and all claims based on constitutional, statutory, common law or regulatory
7 grounds as well as any other claims based on theories of wrongful or constructive discharge, breach of
8 contract or implied contract, fraud, misrepresentation, promissory estoppel or intentional and/or negligent
9 infliction of emotional distress, or damages under any other federal, state or local statutes, ordinances,
10 regulations, rules or laws. This release is for any and all relief, no matter how denominated, including,
11 but not limited to, back pay, front pay, vacation pay, bonuses, compensatory damages, tortious damages,
12 liquidated damages, punitive damages, damages for pain and suffering, and attorney fees and costs, and
13 Plaintiff hereby forever releases, discharges and agrees to hold harmless Defendant and the Released
14 Parties from any and all claims for attorney fees and costs arising out of the matters released in this
15 Stipulation.

16 Plaintiff specifically acknowledges that he is aware of and familiar with the provisions of Section
17 1542, which provides as follows:

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

22 Plaintiff, being aware of Section 1542, hereby expressly waives and relinquishes all rights and
23 benefits he may have under Section 1542 as well as any other statutes or common law principles of a
24 similar effect. Plaintiff may hereafter discover facts in addition to or different from those which he now
25 knows or believes to be true with respect to the subject matter of all the claims referenced herein, but
26 stipulates and agrees that, except as otherwise provided herein, upon the Effective Date, Plaintiff shall
27 and hereby does fully, finally and forever settle and release any and all claims against the Defendants and
28 the Released Parties, known or unknown, suspected or unsuspected, contingent or non-contingent, that
were asserted or could have been asserted upon any theory of law or equity without regard to the
subsequent discovery of existence of such different or additional facts. Notwithstanding the foregoing, if

Defendants fail to deposit their share of the Gross Settlement Amount (\$130,000 for Star HR LLC and \$20,000 for World Class Staffing Services LLC), Plaintiff will not be bound this additional release against Defendants or Releasees or anyone affiliated with any Defendants or Releasee. Further, notwithstanding the foregoing, nothing in this Settlement Agreement shall serve to or be construed as releasing any non-releasable claims, such as claims for unemployment, that cannot be released as a matter of law.

XI. DUTIES OF THE PARTIES

A. Mutual Full Cooperation. The Parties agree to cooperate fully with one another to accomplish and implement the terms of this Stipulation. Such cooperation shall include, but not be limited to, execution of such other documents and the taking of such other actions as may reasonably be necessary to fulfill the terms of this Class Settlement unless the Court denies the Proposed Settlement with prejudice. As part of the Preliminary Approval process, World Class through its owner Beatriz Power will provide Plaintiff and Class Counsel with a detailed declaration that provides sufficient information for the Court to evaluate its financial condition and that affirms that Beatriz Power does not own any other companies. As soon as practicable after execution of this Stipulation, Class Counsel, with the cooperation of Defendant and Defense Counsel, shall take all necessary and reasonable steps to secure the Court's approval of this Stipulation. The Parties will work together to make any non-material modifications of the Settlement requested by the Court to obtain approval of the Parties' Proposed Settlement and will work collaboratively together to obtain approval unless the Parties' Proposed Settlement is denied with prejudice and cannot be cured by making reasonable modifications to the Proposed Settlement Agreement. Defendants shall not attack any provisions of this Settlement Agreement, including, but not limited to Plaintiffs' Proposed Service Award. The Parties shall use their best efforts, including all efforts contemplated by this Stipulation and any other efforts that may become necessary by court order or otherwise, to effectuate this Stipulation and the terms set forth herein.

B. Duty to Support and Defend the Class Settlement. The Parties agree to abide by all of the terms of the Class Settlement in good faith and to support the Class Settlement fully and to use their best efforts to defend this Class Settlement from any legal challenge whether by appeal or collateral attack.

1 **C. Duties Prior to Court Approval.** Class Counsel shall promptly submit this Stipulation
2 to the Court for preliminary approval and determination by the Court as to its fairness, adequacy, and
3 reasonableness. Promptly upon execution of this Stipulation, Class Counsel shall apply to the Court for
4 the entry of a preliminary order, scheduling a hearing on the question of whether the proposed Class
5 Settlement should be approved as fair, reasonable, and adequate as to the Settlement Class Members,
6 approving as to form and content the proposed Class Notice, respectively, and directing the mailing of
7 the Class Notice to Settlement Class Members.

8 **XII. MISCELLANEOUS PROVISIONS**

9 **A. Escalator Clause.** Defendants represented that there were approximately 422 Class
10 Members and 7,746 pay periods/workweeks as of October 15, 2023. If when the notices are prepared for
11 distribution following preliminary approval of the settlement, the number of pay periods/workweeks
12 exceeds the represented number of pay periods/workweeks (7,746 pay periods/workweeks) by more than
13 10% (*e.g.* if there are more than 8,520 pay periods/workweeks), Defendants agree to increase the Gross
14 Settlement Amount on a pro-rata basis equal to the increase in number of pay periods relative to the
15 estimates. By way of example, if there turn out to be 9,000 pay periods, the settlement shall be increased
16 by 16.19% (9,000 actual pay periods/7,746 pay periods represented by Defendants), which is the amount
17 of increase relative to the amounts represented by Defendants. Defendants shall fund the escalated
18 amounts proportionally based upon their contribution to the Gross Settlement Amount unless one of the
19 Defendants can prove that it has no connection to the inclusion of the additional pay periods in which
20 case the Defendant who was exclusively responsible for the additional pay periods/workweeks shall be
21 fully responsible for funding the escalated amount required under the Escalator Clause.

22 **B. Additional Administration Costs Based Upon Additional Class Members/Aggrieved**
23 **Employees.** If the number of Class Members/Aggrieved Employees exceeds 500 Class
24 Members/Aggrieved Employees then Defendants shall pay any additional administrative costs on a
25 proportional basis relative to their contribution to the Gross Settlement Amount unless one of the
26 Defendants can prove that it has no connection to the inclusion of the additional Class
27 Members/Aggrieved Employees in which case the Defendant who was exclusively responsible for the
28 additional Class Members/Aggrieved Employees shall be fully responsible for funding any additional

1 administration expenses.

2 **C. Different Facts.** The Parties hereto, and each of them, acknowledge that, except for
3 matters expressly represented herein, the facts in relation to the dispute and all claims released by the
4 terms of this Stipulation may turn out to be other than or different from the facts now known by each
5 party and/or its counsel, or believed by such Party or counsel to be true, and each Party therefore expressly
6 assumes the risk of the existence of different or presently unknown facts, and agrees that this Stipulation
7 shall be in all respects effective and binding despite such difference.

8 **D. No Prior Assignments.** The Parties represent, covenant, and warrant that they have not
9 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to
10 any person or entity any portion of any liability, claim, demand, action, cause of action, or right herein
11 released and discharged except as set forth herein.

12 **E. Non-Admission.** Nothing in this Stipulation shall be construed as or deemed to be an
13 admission by any Party of any liability, culpability, negligence, or wrongdoing toward any other Party,
14 or any other person, and the Parties specifically disclaim any liability, culpability, negligence, or
15 wrongdoing toward each other or any other person. Each of the Parties has entered into this Stipulation
16 with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and
17 contingencies. Nothing herein shall constitute any admission by Defendant or Releasees of wrongdoing
18 or liability, or of the truth of any factual allegations in the Action. Nothing herein shall constitute any
19 admission by Defendants regarding the merits of the Claims in this Action. Nothing herein shall constitute
20 an admission by Defendants that the Action was properly brought as a class or representative action other
21 than for settlement purposes. To the contrary, Defendants have denied and continue to deny each and
22 every material factual allegation and all Claims. To this end, the Class Settlement of the Action, the
23 negotiation and execution of this Stipulation, and all acts performed or documents executed pursuant to
24 or in furtherance of this Stipulation or the Class Settlement are not, shall not be deemed to be, and may
25 not be used as, an admission or evidence of any wrongdoing or liability on the part of Defendants or
26 Releasees or of the truth of any of the factual allegations in the Complaint in the Action; and are not,
27 shall not be deemed to be, and may not be used as, an admission or evidence of any fault or omission on
28 the part of Defendants or Releasees in any civil, criminal or administrative proceeding in any court,

1 administrative agency or other tribunal.

2 **F. Media or Press Inquiries.** The Parties and their Counsel agree that they will not issue
3 any press releases, initiate any contact with the press, respond to any press inquiry or have any
4 communications with the press about the facts, amount, or terms of the settlement.

5 **G. Non-Retaliation.** Defendant understands and acknowledges that it has a legal obligation
6 not to retaliate against any Settlement Class Member who elects to participate in the Class Settlement or
7 elects to Opt-Out of the Class Settlement. Defendant will refer any inquiries regarding this Class
8 Settlement to the Settlement Administrator or Class Counsel and will not discourage Settlement Class
9 Members who are employees, directly or indirectly, from participating in the Settlement or encourage or
10 advise Settlement Class Members to opt out or object to the Class Settlement.

11 **H. Construction.** The Parties hereto agree that the terms and conditions of this Stipulation
12 are the result of lengthy, intensive, arms-length non-collusive negotiations between the Parties and that
13 this Stipulation is not to be construed in favor of or against any party by reason of the extent to which
14 any party or its counsel participated in the drafting of this Stipulation. If any of the dates in the Stipulation
15 fall on a weekend, bank or court holiday, the time to act shall be extended to the next business day.

16 **I. Governing Law.** This Stipulation is intended to and shall be governed by the laws of the
17 State of California, without regard to conflict of law principles, in all respects, including execution,
18 interpretation, performance, and enforcement.

19 **J. Notices.** Except for Settlement Class Member notices required to be made by the
20 Settlement Administrator, any and all notices or other communications required or permitted under this
21 Stipulation shall be in writing and shall be sufficiently given if delivered in person to the party or their
22 counsel by U.S. certified mail, postage prepaid, e-mail, facsimile, or overnight delivery addressed to the
23 address of the party appearing in this Stipulation.

24 **K. Captions and Interpretations.** Section titles or captions contained herein are inserted as
25 a matter of convenience and for reference only and in no way define, limit, extend, or describe the scope
26 of this Stipulation or any provision thereof.

27 **L. Modification.** This Stipulation may not be changed, altered, or modified, except in
28 writing signed by the Parties and approved by the Court. This Stipulation may not be discharged except

1 by performance in accordance with its terms or by a writing signed by the Parties.

2 **M. Integration Clause.** This Stipulation contains the entire agreement between the Parties
3 relating to the Class Settlement of the Action and the transactions contemplated thereby, and all prior or
4 contemporaneous agreements, understandings, representations, and statements, whether oral or written,
5 and whether by a party or such party's legal counsel, are hereby superseded. No rights under this
6 Stipulation may be waived except in writing as provided above.

7 **N. Successors and Assigns.** This Stipulation shall be binding upon and inure to the benefit
8 of the Parties and Settlement Class Members (excluding only persons who timely Opt-Out) and their
9 respective present and former heirs, owners, trustees, executors, administrators, representatives, officers,
10 directors, shareholders, agents, employees, insurers, attorneys, accountants, auditors, advisors,
11 consultants, pension and welfare benefit plans, fiduciaries, parent companies, subsidiaries, affiliates,
12 related companies, joint ventures, predecessors, successors, and assigns.

13 **O. Corporate Signatories.** Any person executing this Stipulation or any such related
14 document on behalf of a corporate signatory or on behalf of a partnership hereby warrants and promises,
15 for the benefit of all Parties hereto, that such person has been duly authorized by such corporation or
16 partnership to execute this Stipulation or any such related document.

17 **P. Execution in Counterparts.** This Stipulation shall become effective upon its execution
18 by all of the undersigned and may be executed electronically (such as via DocuSign). The Parties may
19 execute this Stipulation in counterparts, and execution of counterparts shall have the same force and
20 effect as if all Settling Parties had signed the same instrument.

21 **Q. Code of Civ. Proc. Section 664.6.** The Court shall retain jurisdiction pursuant to
22 California Code of Civil Procedure § 664.6.

23 **R. Action to Enforce Agreement.** In any suit or court action to enforce the terms of this
24 Agreement, the prevailing party shall be entitled to recover his or her or its attorneys' fees and costs.

25 **S. Attorneys' Fees, Costs and Expenses.** Except as otherwise specifically provided for
26 herein, each Party shall bear his or her or its own attorney fees, costs, and expenses, taxable or otherwise,
27 incurred by them in or arising out of the Action and shall not seek reimbursement thereof from any other
28 party to this Stipulation.

1 **IN WITNESS WHEREOF**, the Parties and their counsel have executed this Stipulation on the
2 date below their signatures or the signature of their representatives. The date of the Stipulation shall be
3 the date of the latest signature.

4 08 / 11 / 2025
5 Dated: August __, 2025

Jose Rodriguez

Jose Rodriguez as an Individual, the Proposed Class
Representative, and the PAGA Representative

7 Dated: August __, 2025

On behalf of Star HR LLC
By: _____
Its : _____

11 Dated: August __, 2025

On behalf of World Class Staffing Services
By: Beatriz Power
Its : Managing Member

14 **APPROVED AS TO FORM AND CONTENT:**

15 08 / 11 / 2025
16 Dated: August __, 2025

WINSTON LAW GROUP, P.C.

David Winston

David S. Winston, Esq.
Attorney for Plaintiff Jose Rodriguez, the Proposed
Class, and the aggrieved employees

21 Dated: August __, 2025

HIRSCHFELD KRAEMER LLP

Monte Grix, Esq.
Aram V. Karagueuzian, Esq.
Attorneys for Defendant Star HR LLC

25 Dated: August __, 2025

LANDEGGER VERANO & DAVIS, ALC

Luiza Manuelian, Esq.
Evelyn Zarraga, Esq.
Attorneys for Defendant World Class Staffing Services
LLC

1 **IN WITNESS WHEREOF**, the Parties and their counsel have executed this Stipulation on the
2 date below their signatures or the signature of their representatives. The date of the Stipulation shall be
3 the date of the latest signature.

4
5 Dated: August __, 2025

Jose Rodriguez as an Individual, the Proposed Class
Representative, and the PAGA Representative

6
7 Dated: August 6th, 2025

Shane Williams

On behalf of Star HR LLC

By: Shane Williams

Its : Director

8
9
10
11 Dated: August __, 2025

On behalf of World Class Staffing Services

By: Beatriz Power

Its : Managing Member

12
13
14
15 **APPROVED AS TO FORM AND CONTENT:**

16 Dated: August __, 2025

WINSTON LAW GROUP, P.C.

David S. Winston, Esq.

Attorney for Plaintiff Jose Rodriguez, the Proposed
Class, and the aggrieved employees

17
18
19
20
21 Dated: August 6, 2025

HIRSCHFELD KRAEMER LLP

Monte Grix

Monte Grix, Esq.

Aram V. Karagueuzian, Esq.

Attorneys for Defendant Star HR LLC

22
23
24
25 Dated: August __, 2025

LANDEGGER VERANO & DAVIS, ALC

Luiza Manuelian, Esq.

Evelyn Zarraga, Esq.

Attorneys for Defendant World Class Staffing Services
LLC

1 **IN WITNESS WHEREOF**, the Parties and their counsel have executed this Stipulation on the
2 date below their signatures or the signature of their representatives. The date of the Stipulation shall be
3 the date of the latest signature.

4
5 Dated: August __, 2025

Jose Rodriguez as an Individual, the Proposed Class
Representative, and the PAGA Representative

7 Dated: August __, 2025

On behalf of Star HR LLC

By: _____
Its : _____

10
11 Dated: August 7, 2025

On behalf of World Class Staffing Services
By: Beatriz Power
Its : Managing Member

14
15 **APPROVED AS TO FORM AND CONTENT:**

16 Dated: August __, 2025

WINSTON LAW GROUP, P.C.

David S. Winston, Esq.
Attorney for Plaintiff Jose Rodriguez, the Proposed
Class, and the aggrieved employees

20
21 Dated: August __, 2025

HIRSCHFELD KRAEMER LLP

Monte Grix, Esq.
Aram V. Karagueuzian, Esq.
Attorneys for Defendant Star HR LLC

25 Dated: August 4, 2025

LANDEGGER VERANO & DAVIS, ALC

Luiza Manuelian, Esq.
Evelyn Zarraga, Esq.
Attorneys for Defendant World Class Staffing Services
LLC

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Abogados del Demandante y de la Clase Propuesta y
los empleados agraviados

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Abogados del Demandado Star HR LLC

(Demandado y notificado oficialmente en el presente como PERSONA DESCONOCIDA 1)

[Los abogados adicionales se encuentran en la siguiente página]

**TRIBUNAL SUPERIOR DEL ESTADO DE CALIFORNIA DEL CONDADO DE SAN
BERNARDINO**

JOSÉ RODRÍGUEZ, una persona, en su
nombre y en representación de otras personas en
situación similar,

DEMANDANTE,

vs.

WORLD CLASS STAFFING SERVICES LLC,
una sociedad de responsabilidad limitada de
California, STAR HR LLC, una sociedad de
responsabilidad limitada de Wyoming, y
PERSONAS DESCONOCIDAS 2 a 50,
inclusive,

DEMANDADOS.

NO. DE CASO: CIVSB2315859

[Asignado para todos los fines al Honorable
Christian Towns, Departamento S-26]

**ESTIPULACIÓN CONJUNTA DE
ARREGLO DE DEMANDA COLECTIVA
Y PAGA**

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Abogados del Demandado World Class

Staffing Services LLC

Esta Estipulación Conjunta de Arreglo de Demanda Colectiva y Acción de Representación es suscrita por el Demandante José Rodríguez (el “Demandante”) en su nombre, como un representante de la Clase del Arreglo y como un Procurador General Privado en representación del Estado de California conforme a la PAGA (como se define a continuación) y los Demandados Star HR LLC (“Star HR”) y World Class Staffing Services LLC (“World Class”) (a Star HR y World Class podemos referirnos de forma colectiva como los “Demandados”), (al Demandante y a los Demandados nos referiremos de forma colectiva de aquí en más como las “Partes”). El presente es un arreglo no reversible, en el que se envían por correo cheques, y en el que los Demandados (como se define a continuación) deben pagar el 100% de Monto Bruto del Arreglo (como se define a continuación). Esta Estipulación está sujeta a la aprobación del Tribunal, de conformidad con las Normas 3.769(c), (d) y (e) de las Normas Procesales de California, y se celebra con el único objetivo de intentar consumir el arreglo de la Acción Legal que cubre a toda la clase sujeto a los siguientes términos y condiciones. Como se detalla a continuación, si el Tribunal no dicta una orden que otorga la aprobación definitiva del Arreglo de la Clase, como se define a continuación, o por algún motivo no se dan las condiciones anteriores, esta Estipulación será nula y no tendrá ninguna validez ni efecto de ningún tipo.

I. DEFINICIONES

Como se utilizan en esta Estipulación, los siguientes términos tendrán los significados que se especifican a continuación. En la medida en que los términos o frases que se utilizan en esta Estipulación no se definan de forma específica a continuación, pero estén definidos en alguna otra sección de esta Estipulación, los mismos quedan incorporados por referencia a esta sección de definiciones.

A. Acción Legal. “Acción Legal” significará la acción legal que se indica más arriba denominada “*JOSE RODRIGUEZ, an individual, on behalf of himself, others similarly situated, PLAINTIFF v. WORLD CLASS STAFFING SERVICES LLC, a California Limited Liability Company, STAR HR LLC, a Wyoming Limited Liability Company and DOES 2 thru 50, inclusive, DEFENDANTS*”, No. de Caso del Tribunal Superior del Condado de San Bernardino CIVSB2315859.

B. Gastos Administrativos. “Gastos Administrativos” incluirá todos los costos y gastos relacionados y pagados al Administrador del Arreglo externo, que se estima que no superarán los \$10,000.00.

1 **C. Empleado Agraviado.** “Empleado agraviado” significará todos los empleados no
2 exentos, por hora, actuales y anteriores que trabajaron en California para World Class Staffing Services
3 LLC y recibieron un recibo de sueldo de Star HR LLC en cualquier momento del 8 de junio de 2022 al
4 15 de octubre de 2023. Mediante la presentación de pruebas informal, los Demandados declararon y por
5 el presente declaran nuevamente que la cantidad potencial de empleados agraviados es de 422 y que
6 existen 7,746 períodos de pago durante el Período PAGA Cubierto.

7 **D. Honorarios y Gastos de los Abogados de la Clase.** “Honorarios y Gastos de los
8 Abogados de la Clase” significará los honorarios y gastos de los Abogados de la Clase como se establece
9 en la Sección IV.G.

10 **E. Abogados de la Clase.** “Abogados de la Clase” significará David S. Winston de Winston
11 Law Group, P.C.

12 **F. Clase, Clase del Arreglo, Miembro de la Clase o Miembro de la Clase del Arreglo.**
13 “Clase”, “Clase del Arreglo”, “Miembro de la Clase” o “Miembro de la Clase del Arreglo” significará
14 todos los empleados no exentos, por hora, actuales y anteriores que trabajaron en California para World
15 Class Staffing Services LLC y recibieron un recibo de sueldo de Star HR LLC en cualquier momento del
16 8 de junio de 2022 al 15 de octubre de 2023. Mediante la presentación de pruebas informal, los
17 Demandados declararon y por el presente declaran nuevamente que la cantidad potencial de miembros
18 de la clase es de 422 y que existen 7,746 períodos de pago durante el Período de la Clase.

19 **G. Aviso de la Clase.** “Aviso de la Clase” significará el Aviso de Propuesta de Arreglo de
20 Demanda Colectiva y Fecha de Audiencia para Aprobación del Tribunal, como se establece en el
21 formulario acordado por las Partes o como lo apruebe de otra manera el Tribunal, que se enviará por
22 correo a los Miembros de la Clase.

23 **H. Participantes de la Clase.** “Participantes de la Clase” significará todos y cada uno de los
24 Miembros de la Clase que no se Excluyen del Arreglo de la Clase dentro de los plazos previstos.

25 **I. Período de la Clase o Período Cubierto.** “Período de la Clase” o “Período Cubierto”
26 significará el período del 8 de junio de 2022 al 15 de octubre de 2023.

27 **J. Representante de la Clase.** “Representante de la Clase” significará el Demandante José
28 Rodríguez.

1 **K. Arreglo de la Clase.** “Arreglo de la Clase” significará el arreglo que se representa en esta
2 Estipulación, que está sujeto a la aprobación del Tribunal.

3 **L. Reclamos de la Clase Eximidos.** “Reclamos de la Clase” o “Reclamos de la Clase
4 Eximidos” significará todos los reclamos por no proporcionar recibos de sueldo legalmente conformes
5 en infracción de la sección 226 del Código de Trabajo de California durante el Período de la Clase (8 de
6 junio de 2022 al 15 de octubre de 2023) que fueron alegados o que razonablemente podrían haber sido
7 alegados sobre la base de los hechos establecidos en la Demanda del 12 de julio de 2023, la Primera
8 Demanda Enmendada del 14 de agosto de 2023, y/o la Segunda Demanda Enmendada del 1.º de
9 diciembre de 2023. Los Reclamos de la Clase Eximidos no incluyen ningún reclamo de beneficios de
10 compensación al trabajador, desempleo o discapacidad, ningún reclamo no relacionado con la emisión
11 de recibos de sueldo detallados, ni ningún otro reclamo más allá de lo que se especifican en el presente.

12 **M. Tribunal.** “Tribunal” significará el Tribunal Superior del Condado de San Bernardino.

13 **N. Demandados o Partes Eximidas.** “Demandado”, “Demandados” o “Partes Eximidas”
14 significará y hará referencia a Star HR LLC, World Class Staffing Services LLC, así como a los
15 propietarios actuales y anteriores de Star HR LLC y World Class Staffing Services LLC (incluyendo, de
16 forma enunciativa y no limitativa, a Scott Hanson y Beatriz Power), funcionarios, directores, gerentes,
17 empleados y abogados, y las compañías matrices y subsidiarias de Star HR LLC y World Class Staffing
18 Services LLC.

19 **O. Abogados Defensores.** “Abogados Defensores”, “Abogados del Demandado”,
20 “Abogados de los Demandados” o “Abogados de las Partes Eximidas” significará Monte Grix y Aram
21 V. Karagueuzian de HIRSCHFELD KRAEMER LLP para Star HR LLC y Luiza Manuelian y Evelyn
22 Zarraga de Landegger Verano & Davis, ALC para World Class Staffing Services LLC.

23 **P. Fecha de Vigencia.** “Fecha de Vigencia” significará el primer día hábil después del último
24 de los siguientes acontecimientos: (i) si, de forma adecuada y dentro de los plazos previstos, ningún
25 Miembro de la Clase interviene, presenta dentro de los plazos previstos una moción para revocar la
26 Sentencia u objeta el Arreglo, la fecha en que el Tribunal dicta una orden otorgando la Aprobación
27 Definitiva del Arreglo; (ii) si, dentro de los plazos previstos, un Miembro de la Clase interviene o presenta
28 una moción para revocar la sentencia u objeta el Arreglo, sesenta y un (61) días después de la fecha en

que el Tribunal dicta una orden que otorga la aprobación definitiva, si no se presenta ninguna apelación; o (iii) si, dentro de los plazos previstos, un Miembro de la Clase interviene o presenta una moción para revocar la Sentencia u objeta el Arreglo y presenta una apelación dentro de los plazos previstos, la fecha de la resolución definitiva de la apelación (lo que incluye toda solicitud de una nueva audiencia y/o petición de revisión de sentencia), que dé lugar a la aprobación judicial definitiva y completa del Arreglo en su totalidad, sin que sea posible ninguna recusación adicional del mismo.

Q. Aprobación Definitiva y Audiencia de Justicia. “Aprobación Definitiva y Audiencia de Justicia” significará la audiencia definitiva celebrada para establecer la equidad, razonabilidad y adecuación del Arreglo de la Clase.

R. Fecha de Aporte de Fondos. “Fecha de Aporte de Fondos” o la fecha en que los Demandados depositarán el Monto Bruto del Arreglo en el Administrador del Arreglo.

1. **Fecha de Aporte de Fondos de Star HR.** “Fecha de Aporte de Fondos de Star HR” o “Fechas de Aporte de Fondos de Star HR” son las fechas en que Star HR pagará su parte del Monto Bruto del Arreglo, al que también nos referiremos como el Monto Bruto del Arreglo de Star HR, al Administrador del Arreglo designado por el Tribunal. Star HR pagará su parte del Monto Bruto del Arreglo en dos pagos iguales de \$65,000. Star HR depositará el 50% del Monto Bruto del Arreglo de Star HR o \$65,000.00 a más tardar el 19 de diciembre de 2025 y el 50% restante o \$65,000 (\$130,000 en total) quince días calendario después de la Fecha de Vigencia.

2. **Fecha de Aporte de Fondos de World Class.** “Fecha de Aporte de Fondos de World Class Staffing Services” es la fecha en que World Class pagará su parte del Monto Bruto del Arreglo, al que también nos referiremos como el Monto Bruto del Arreglo de World Class, al Administrador del Arreglo designado por el Tribunal. World Class pagará la totalidad de su parte del Monto Bruto del Arreglo quince días calendario después de la Fecha de Vigencia.

S. Monto Bruto del Arreglo. “Monto Bruto del Arreglo” o “GSA”, por sus siglas en inglés, es el monto no reversible acordado del arreglo de un total de \$150,000.00, que representa el monto no reversible que corresponde pagar conforme a este Arreglo por parte de los Demandados e incluye los

1 honorarios de abogados y costos, los costos de la administración del arreglo por parte del Administrador
2 del Arreglo, el Pago por Servicios al Representante de la Clase de un máximo de \$8,000.00, el pago del
3 monto total de \$20,000 por las sanciones de la Ley del Procurador General Privado (“PAGA”, por sus
4 siglas en inglés), 75% o \$15,000.00 de los cuales serán pagados a la Agencia de Desarrollo de Trabajo y
5 Fuerza Laboral (“LWDA”, por sus siglas en inglés), y 25% o \$5,000.00 que serán incluidos en el monto
6 asignado a los Empleados Agravados y en el Monto Neto del Arreglo, y los montos que corresponde
7 pagar a la Clase del Arreglo.

8 1. **Monto Bruto del Arreglo de Star HR.** “Monto Bruto del Arreglo de Star HR” es el
9 monto no reversible acordado del arreglo de un total de \$130,000.00, que representa el
10 monto no reversible que corresponde pagar conforme a este Arreglo por parte del
11 Demandado Star HR LLC e incluye los honorarios de abogados y costos, los costos de
12 la administración del arreglo por parte del Administrador del Arreglo, todo Pago por
13 Servicios al Representante de la Clase, su parte de las sanciones PAGA, y los montos
14 que corresponde pagar a la Clase del Arreglo.

15 2. **Monto Bruto del Arreglo de World Class.** “Monto Bruto del Arreglo de World Class
16 Staffing Services” es el monto no reversible acordado del arreglo de un total de
17 \$20,000.00, que representa el monto no reversible que corresponde pagar conforme a
18 este Arreglo por parte del Demandado World Class Staffing Services LLC e incluye los
19 honorarios de abogados y costos, los costos de la administración del arreglo por parte
20 del Administrador del Arreglo, todo Pago por Servicios al Representante de la Clase, su
21 parte de las sanciones PAGA, y los montos que corresponde pagar a la Clase del Arreglo.

22 T. **Audiencia sobre la Aprobación Preliminar.** “Audiencia sobre la Aprobación
23 Preliminar” significará la audiencia celebrada sobre la moción de aprobación preliminar del Arreglo de
24 la Clase.

25 U. **Monto Individual del Arreglo.** “Monto Individual del Arreglo” significará el monto que
26 se distribuye en última instancia a cada Participante de la Clase.

27 V. **Monto Neto del Arreglo.** “Monto Neto del Arreglo” significará el Monto Bruto del
28 Arreglo menos los Gastos de Administración del Arreglo, los Honorarios y Gastos de los Abogados de

la Clase, 75% del Pago PAGA que corresponde pagar a la Agencia de Desarrollo de Trabajo y Fuerza Laboral (“LWDA”), y el Pago por Servicios.

W. Exclusión/Exclusiones. “Exclusión/Exclusiones” significará toda persona que solicita dentro de los plazos previstos y de forma válida su exclusión del Arreglo de la Clase de conformidad con los términos del Aviso de la Clase y no más allá de la Fecha Límite de Respuesta.

X. Pago PAGA. “Pago PAGA” significa las sanciones de conformidad con las secciones 2698 y subsiguientes del Código de Trabajo de California, la Ley de Procurador General Privado de 2004 (“PAGA”), que las Partes han acordado que es una suma razonable que se pagará para el arreglo de los reclamos PAGA incluidos en la Acción Legal, que es el monto de \$20,000.00 para sanciones de la Ley de Procurador General Privado (“PAGA”), 75% o \$15,000.00 de los cuales se pagarán a la Agencia de Desarrollo de Trabajo y Fuerza Laboral (“LWDA”), y 25% o \$5,000.00 se incluirán en el monto asignado a la Clase del Arreglo. Los Abogados de la Clase entregarán un aviso oportuno del Arreglo de la Clase a la LWDA conforme a la sección 2699(l)(2) del Código de Trabajo. Debido a que la PAGA no permite que los empleados se excluyan, los Miembros de la Clase que se excluyen recibirán de todas maneras su parte prorrateada de las sanciones PAGA. *Baumann v. Chase Inv. Servs. Corp.*, 747 F.3d 1117, 1122 (9th Cir. 2014) (explica que la PAGA “no incluye un requisito de aviso para los empleados agraviados no identificados y que dichos empleados no pueden excluirse de una acción legal PAGA”.); *accord Arias v. Sup. Ct.* 46 Cal.4th 969, 986-987 (2009); *Williams v. Sup. Ct.*, 3 Cal.5th 531, 547, fn. 4 (2017) (explica que los empleados agraviados “no son los propietarios de un reclamo personal por sanciones civiles PAGA...y que no se encuentran en juego los reclamos personales por reparaciones que puedan tener los empleados ausentes”).

Y. Período PAGA o Período PAGA Cubierto. “Período PAGA” o “Período PAGA Cubierto” significará el período del 8 de junio de 2022 al 15 de octubre de 2023.

Z. Reclamos PAGA Eximidos. “Reclamos PAGA Eximidos” significará todo reclamo por sanciones PAGA conforme a la sección 2699 del Código de Trabajo por infracciones de la sección 226 del Código de Trabajo durante el Período PAGA Cubierto (8 de junio de 2022 a 15 de octubre de 2023) que se alegaron o que podrían haberse alegado razonablemente en función de los hechos que se indican

1 en el Aviso PAGA del 8 de junio de 2023, el Aviso PAGA Enmendado del 29 de septiembre de 2023, y
2 el Aviso PAGA Enmendado del 3 de mayo de 2024.

3 **AA. Representante PAGA.** “Representante PAGA” significará el Demandante José
4 Rodríguez.

5 **BB. Partes.** “Partes” significará el Demandante y los Demandados.

6 **CC. Período de Pago.** “Período de Pago” o “Períodos de Pago” significará todo período de
7 pago en el que una persona trabajó al menos un turno.

8 **DD. Demandante.** “Demandante” significará el Demandante identificado José Rodríguez.

9 **EE. Fecha de Aprobación Preliminar.** “Fecha de Aprobación Preliminar” significará la
10 fecha en que el Tribunal dicta una orden que aprueba de forma preliminar esta Estipulación.

11 **FF. Fecha de Vigencia de la Exención de Responsabilidad.** “Fecha de Vigencia de la
12 Exención de Responsabilidad” significa la fecha en que los Demandados serán eximidos de
13 responsabilidad por los Reclamos Eximidos y es la Fecha de Vigencia para los Demandados Star HR
14 LLC y World Class Staffing Services LLC; sin embargo, la exención de responsabilidad no tendrá
15 vigencia en cuanto a los propietarios, funcionarios, directores, gerentes y abogados de cualquier
16 Demandado que no deposite su parte del Monto Bruto del Arreglo (\$130,000 para Star HR LLC y \$20,000
17 para World Class Staffing Services LLC) de conformidad con la Fecha de Aporte de Fondos. La Fecha
18 de Vigencia de la Exención de Responsabilidad cubre tanto a los Reclamos de la Clase Eximidos como
19 a los Reclamos PAGA Eximidos.

20 **GG. Reclamos Eximidos.** “Reclamos Eximidos” significa los Reclamos de la Clase Eximidos
21 y los Reclamos PAGA Eximidos.

22 **HH. Fecha Límite de Respuesta.** “Fecha Límite de Respuesta” significará la fecha sesenta
23 (60) días después de la fecha en la cual el Administrador del Arreglo envía por correo por primera vez el
24 Aviso de la Clase a los Miembros de la Clase del Arreglo.

25 **II. Pago por Servicios.** “Pago por Servicios” significará el monto aprobado por el Tribunal,
26 que no puede superar \$8,000.00, que se pagará al Representante de la Clase en reconocimiento por su
27 dedicación y tiempo en nombre de la Clase y como contraprestación por una exención de responsabilidad
28 plena, general e integral y renuncia conforme a la sección 1542 del Código Civil de los Reclamos

Eximidos del Representante de la Clase.

JJ. Arreglo. “Arreglo” significará el arreglo entre las Partes, que se formaliza en esta Estipulación y que está sujeto a la aprobación del Tribunal.

KK. Administrador del Arreglo. “Administrador del Arreglo” significará ILYM Group, Inc., quien será responsable de la administración del Arreglo y temas relacionados.

LL. Estipulación. “Estipulación” significará esta Estipulación Conjunta de Arreglo de Clase y PAGA.

II. ANTECEDENTES DE HECHO Y PROCESALES DE LA ACCIÓN LEGAL

A. Reclamos del Demandante e historial procesal. El Demandante alega que los Demandados no proporcionaron recibos de sueldo detallados correctos al Demandante, la Clase y los Empleados Agraviados que incluyen el nombre y la dirección del empleador y no incluyeron la tarifa de pago y el total de horas trabajadas de cada asignación de servicios temporales en infracción de § 226 del Código de Trabajo. El 8 de junio de 2023, el Demandante presentó un Aviso PAGA ante la Agencia de Desarrollo de Trabajo y Fuerza Laboral de California. El 12 de julio de 2023, el Demandante presentó una Demanda Colectiva ante el Tribunal Superior del Condado de San Bernardino alegando una única causa de acción legal por no proporcionar recibos de sueldo detallados correctos en infracción de § 226 del Código de Trabajo. Poco después, el 14 de agosto de 2023, el Demandante presentó una Primera Demanda Enmendada que agregó una única causa de acción legal por sanciones PAGA basadas en el presunto hecho de que los Demandados no proporcionaron recibos de sueldo detallados correctos. El 29 de septiembre de 2023, el Demandante presentó un Aviso PAGA Enmendado que contenía una cantidad de presuntas infracciones adicionales de leyes salariales y de carga horaria. Después del dictado de una estipulación que otorgaba autorización para enmendar, el Demandante presentó una Segunda Demanda Enmendada agregando reclamos por una cantidad de otras presuntas infracciones de leyes salariales y de carga horaria tanto sobre una base de Clase como de la PAGA el 1.º de diciembre de 2023. Las Partes llegaron a la Propuesta de Arreglo después de extensas negociaciones para llegar a un arreglo. Las negociaciones del arreglo entre las Partes fueron en todo momento sin colusión, contenciosas y en condiciones de igualdad.

B. Presentación de pruebas e investigación. Antes de la Mediación y la presentación de los

Documentos de Aprobación Preliminar, los Abogados de la Clase llevaron a cabo una investigación detallada de los presuntos reclamos de la Clase del Arreglo. Los Demandados proporcionaron una presentación de pruebas informal que incluyó: (a) la cantidad de Miembros de la Clase/Empleados Agraviados (422), la cantidad de períodos de pago en cuestión (7,746); (b) la investigación de la viabilidad del tratamiento como clase de los reclamos que se hacen valer en la Acción Legal; (c) el análisis de daños potenciales a toda la clase, incluyendo información suficiente para comprender las defensas potenciales de los Demandados a los reclamos del Demandante y de los Miembros de la Clase del Arreglo; (d) la investigación de la ley aplicable en relación con los reclamos hechos valer en la Demanda y las defensas potenciales a los mismos; y (e) la revisión y el análisis de la información proporcionada por los Demandados sobre sus políticas y prácticas relevantes.

Las Partes están de acuerdo en que la investigación y evaluación que se describe más arriba, además de la presentación de pruebas y la información intercambiada durante las negociaciones del arreglo, son más que suficientes para evaluar los méritos de las respectivas posturas de las Partes y llegar a un acuerdo sobre los temas de una manera justa y equitativa. Las Partes participaron en una investigación y presentación de pruebas que resulta suficiente para evaluar los méritos relativos de los reclamos del Representante de la Clase y Representante PAGA y de las defensas de los Demandados a los mismos.

C. Beneficios de un Arreglo de la Clase. La amplia presentación de pruebas informal que se llevó a cabo en este tema resultó adecuada para brindar al Representante de la Clase y a los Abogados de la Clase una comprensión sólida de los méritos de sus posturas y para evaluar el valor de los reclamos de la Clase del Arreglo. La presentación de pruebas informal llevada a cabo en esta Acción Legal y la información intercambiada por las Partes a través de la presentación de pruebas y los intercambios sobre el arreglo son suficientes para evaluar de forma fiable los méritos de las posturas respectivas de las Partes y llegar a un arreglo sobre los temas de una manera justa y equitativa.

El Demandante y los Abogados de la Clase consideran que los reclamos, causas de acción legal, alegaciones y argumentos que se hicieron valer en la Acción Legal tienen mérito. Los Abogados de la Clase llevaron a cabo de forma diligente una investigación de los reclamos del Demandante contra los Demandados y las Partes Eximidas. En base a su propia investigación y evaluación independiente, la

opinión de los Abogados de la Clase es que el arreglo con los Demandados y las Partes Eximidas por la contraprestación y según los términos que se establecen en este Arreglo es justo, razonable y adecuado, y que favorece los intereses de la Clase del Arreglo teniendo en cuenta todos los hechos y circunstancias conocidos y las diversas defensas basadas en hechos y legales hechas valer por los Demandados y el estado financiero de World Class.

El Demandante y los Abogados de la Clase reconocen además el gasto y la demora de los procedimientos sostenidos prolongados necesarios para litigar la Acción Legal contra los Demandados mediante un juicio y mediante apelaciones. Los Abogados de la Clase tomaron en cuenta el resultado incierto del proceso judicial, el riesgo de un proceso judicial prolongado en acciones legales complejas tales como las que nos ocupa, además de las dificultades y demoras inherentes en los procesos judiciales de este tipo. El Demandante es consciente de los desafíos potenciales y las posibles defensas a los reclamos alegados en la Acción Legal.

El Demandante y los Abogados de la Clase consideran que el Arreglo que se establece en esta Estipulación otorga beneficios sustanciales al Demandante y a los Miembros de la Clase del Arreglo y que una revisión independiente de esta Estipulación por parte del Tribunal en el proceso de aprobación confirmará dicha conclusión. En base a su propia investigación y evaluación independiente, los Abogados de la Clase determinaron que el Arreglo que se establece en la Estipulación es lo más conveniente para los intereses del Demandante y los Miembros de la Clase del Arreglo.

D. Rechazos de actos indebidos y responsabilidad de los Demandados. Los Demandados rechazan y siguen rechazando todas y cada una de las alegaciones, reclamos y argumentos alegados por el Demandante en la Acción Legal. Los Demandados rechazan y siguen rechazando expresamente todas las acusaciones de actos indebidos intencionales o a sabiendas o de responsabilidad que surgen de toda conducta, declaración, acción u omisión que se alega en la Acción Legal. Los Demandados sostienen que existe una controversia de buena fe sobre si incumplieron o no de forma intencional o a sabiendas de buena fe con le lay de California relacionada con la emisión de recibos de sueldo detallados, que no se perjudicó a ningún Miembro de la Clase o Empleado Agraviado, y que trataron de forma legal y justa al Demandante y a los Miembros de la Clase del Arreglo. Los Demandados sostienen además que, para todo fin que no sea llegar a un arreglo en esta Acción Legal, dichos reclamos son inadecuados para un

tratamiento como clase o de representación. No obstante, los Demandados llegaron a la conclusión de que los procedimientos adicionales en la Acción Legal resultarían prolongados y dispendiosos y que su deseo es que la Acción Legal llegue a un arreglo pleno y definitivo de la manera y conforme a los términos y condiciones que se establecen en esta Estipulación, con el objeto de poner punto final a un proceso judicial oneroso y prolongado, y evitar un proceso judicial adicional costoso. Los Demandados tuvieron en cuenta además la incertidumbre y los riesgos inherentes en todo proceso judicial, en particular en casos complejos como el de la Acción Legal. Por lo tanto, los Demandados determinaron que es deseable y beneficioso llegar a un arreglo en la Acción Legal de la manera y conforme a los términos y condiciones que se establecen en esta Estipulación.

E. Intención del Arreglo de la Clase. El Arreglo de la Clase que se establece en el presente tiene por objeto lograr lo siguiente: (1) el dictado de una orden que apruebe el Arreglo de la Clase; (2) el dictado de una sentencia de la Acción Legal; (3) la exención de responsabilidad de los Demandados y las Partes Eximidas por responsabilidad por todos los Reclamos Eximidos y por todo reclamo que surja de la Acción Legal; sin embargo, las exenciones de responsabilidad para cualquier Demandado potencial conforme a la sección 558.1 del Código de Trabajo no tienen vigencia para cada Demandado hasta que hayan pagado su parte del Monto Bruto del Arreglo (\$130,000 para World Class y \$20,000 para Star HR).

III. CERTIFICACIÓN CONDICIONAL DE CLASE Y DESIGNACIÓN DE LOS ABOGADOS DE LA CLASE

A. La Clase del Arreglo. Para los fines de esta Estipulación y del Arreglo de la Clase de esta Acción Legal exclusivamente, las Partes estipulan la certificación condicional de clase de la Clase del Arreglo. Los abogados de los Demandados consideran que dicha certificación condicional es adecuada debido a que se llega a un arreglo por los Reclamos Eximidos sin necesidad de establecer los elementos de dichos reclamos en los que se basa la responsabilidad.

B. Designación de los Abogados de la Clase. Para los fines de esta Estipulación y sujeto a la aprobación del Tribunal, las Partes por el presente estipulan la designación de los Abogados de la Clase como los abogados para la Clase y la efectución del Arreglo de la Clase de conformidad con esta Estipulación.

1 **IV. CONTRAPRESTACIÓN POR EL ARREGLO DE LA CLASE**

2 **A. Monto del Arreglo.** Las Partes acuerdan llegar a un arreglo en esta Acción Legal por el
3 Monto Bruto del Arreglo de \$150,000.00. No tendrán lugar reversiones a los Demandados ni a las Partes
4 Eximidas. El Monto Bruto del Arreglo y otros actos y concesiones otorgadas por los Demandados y
5 Partes Eximidas constituirán una contraprestación adecuada por el Arreglo de la Clase y tendrán lugar
6 para llegar a un arreglo pleno y definitivo en lo siguiente: (a) los Reclamos Eximidos, (b) los Honorarios
7 y Gastos de los Abogados de la Clase, (c) los Gastos Administrativos del Arreglo, (d) el Pago por
8 Servicios, (e) el Pago PAGA a la LWDA, y (f) toda otra obligación de los Demandados y las Partes
9 Eximidas conforme a esta Estipulación. Después de que el Tribunal dicte una orden que apruebe de forma
10 preliminar este Arreglo de la Clase, el Administrador del Arreglo enviará el Aviso de la Clase a los
11 Miembros de la Clase del Arreglo, que describe los términos del Arreglo de la Clase y los procedimientos
12 para excluirse, objetar o participar en el mismo.

13 **B. Pago por Servicios al Representante de la Clase.** El Representante de la Clase puede
14 solicitar al Tribunal que apruebe un Pago por Servicios de un monto de \$8,000.00 por su dedicación en
15 nombre de la Clase del Arreglo en esta Acción Legal, lo que incluye brindar asistencia en la investigación
16 y consultas de los Abogados de la Clase y proporcionar documentos de importancia crucial a los
17 Abogados de la Clase. Los Demandados y las Partes Eximidas no se opondrán a ninguna solicitud del
18 Representante de la Clase de un Pago por Servicios de ese monto. Todo Pago por Servicios aprobado por
19 el Tribunal se pagará al Representante de la Clase del Monto Bruto del Arreglo y será adicional a toda
20 distribución a la que el mismo tenga derecho de otra manera como un Miembro de la Clase del Arreglo
21 y Empleado Agraviado. El Pago por Servicios no se considerará un salario, y el Administrador del
22 Arreglo entregará al Representante de la Clase un Formulario 1099 del IRS que refleje dicho pago. El
23 Representante de la Clase será responsable del pago de todos los impuestos en lo que se refiere a su Pago
24 por Servicios y eximirá y exonerará a los Demandados y a las Partes Eximidas por toda responsabilidad
25 relacionada con el mismo. Si la solicitud del Demandante de un pago por servicios no es aprobada o es
26 reducida por el Tribunal, el hecho de que el monto se haya reducido no será causal para cancelar el
27 Acuerdo y cualquier monto no aprobado o reducido por el Tribunal se agregará al Monto Neto del Arreglo
28 que se distribuirá a los Miembros de la Clase participantes.

1 **C. Pago a los Participantes de la Clase.** Cada Participante de la Clase calificará para recibir
2 un pago del Monto Individual del Arreglo y recibirá una parte del Monto Neto del Arreglo de forma
3 prorrateada que se calculará dividiendo la cantidad total de períodos de pago trabajados por un
4 Participante de la Clase individual durante el Período de la Clase por la cantidad total de períodos de
5 pago trabajados por todos los Participantes de la Clase durante el Período de la Clase. En el caso de los
6 Miembros de la Clase que deciden excluirse del Arreglo enviando una Solicitud de Exclusión válida
7 (como se define a continuación) y/o cuyo Aviso de Arreglo se determina que no se puede entregar después
8 de que el Administrador del Arreglo lo vuelva a enviar de forma razonable, no se pagará el Pago del
9 Arreglo Total de los Miembros de la Clase al Miembro de la Clase y el mismo se sumará al Monto Neto
10 del Arreglo y se volverá a distribuir entre los Miembros de la Clase Participantes de forma prorrateada.

11 **D. Pago a los Empleados Agraviados.** La parte del pago de la sanción PAGA asignado a
12 los Empleados Agraviados que trabajaron durante el Período PAGA Cubierto (8 de junio de 2022 y 15
13 de octubre de 2023) se distribuirá a los Empleados Agraviados que trabajaron durante el Período PAGA
14 Cubierto, independientemente de si se excluyen del Arreglo, y se calculará de forma prorrateada
15 dividiendo la cantidad total de períodos de pago trabajados por un Empleado Agraviado individual
16 durante el Período PAGA Cubierto por la cantidad total de períodos de pago trabajados por todos los
17 Empleados Agraviados.

18 **E. Tratamiento fiscal y pago.** Debido a que el presente es un arreglo solo por sanciones, las
19 Partes acuerdan que el 100% de cada monto del arreglo constituirá sanciones que se deben informar en
20 un formulario 1099 del IRS. Las Partes comprenden que el Demandante y los Participantes de la Clase
21 que reciben todo pago conforme a esta Estipulación serán responsables exclusivamente por toda
22 obligación de impuestos individual relacionada con este Arreglo de la Clase y que los Demandantes no
23 tendrán ninguna responsabilidad por pagos de impuestos a la renta del estado o federales sobre los Pagos
24 Individuales del Arreglo.

25 **F. Sin efecto sobre los planes de beneficios de los empleados.** Ni el Arreglo de la Clase ni
26 ninguno de los montos pagados conforme al Arreglo de la Clase modificará ninguna hora, día o semana
27 de servicio acreditada previamente conforme a todo plan de beneficios de los empleados, política o
28 programa de bonificaciones patrocinado por los Demandados o las Partes Eximidas. Dichos montos no

se utilizarán para justificar contribuciones adicionales, beneficios ni ningún otro derecho monetario conforme a planes de beneficios, políticas o programas de bonificaciones patrocinados por los Demandados o las Partes Eximidas. Los pagos realizados conforme a los términos de esta Estipulación no se aplicarán de forma retroactiva, simultánea o a futuro como salarios, ingresos, remuneraciones ni ninguna otra forma de remuneración para los fines de todo plan de beneficios, política o programa de bonificaciones de los Demandados o las Partes Eximidas. Los Demandados y las Partes Eximidas conservan el derecho de modificar la redacción de sus planes de beneficios, políticas y programas de bonificaciones para hacer cumplir dicha intención y dejar en claro que todo monto pagado conforme a esta Estipulación no es por “períodos de pago” ni ningún término de medición similar como se define en los planes, las políticas y los programas de bonificaciones aplicables para fines de elegibilidad, adquisición de derechos, acumulación de beneficios ni ningún otro fin, y que esta Estipulación no exige ninguna contribución ni beneficio adicional. Los Demandados y las Partes Eximidas no consideran que los pagos del Arreglo de la Clase sean una “remuneración” para los fines de determinar la elegibilidad o la acumulación de beneficios en todo plan de beneficios, política o programas de bonificaciones, o todo otro plan patrocinado por los Demandados o las Partes Eximidas.

G. Honorarios de Abogados y Gastos de los Abogados de la Clase. Como parte de la moción de aprobación definitiva del Arreglo de la Clase, los Abogados de la Clase pueden presentar una solicitud de un otorgamiento de Honorarios y Gastos de los Abogados de la Clase cuya parte correspondiente a honorarios no puede superar un tercio del Monto Bruto del Arreglo (es decir, \$50,000.00) y el otorgamiento de costos y gastos de un máximo de \$8,000.00 adicionales. Los Demandados y las Partes Eximidas aceptan no objetar ninguna de dichas solicitudes de honorarios, costos ni gastos por dichos montos. Como condición de este Arreglo de la Clase, los Abogados de la Clase aceptaron solicitar honorarios solo en la manera que se indica en esta Sección, excepto en caso de incumplimiento de esta Estipulación o de honorarios incurridos para hacer cumplir el Arreglo de las Partes. Todos los Honorarios y Gastos de los Abogados de la Clase otorgados por el Tribunal se pagarán del Monto Bruto del Arreglo para llegar al Monto Neto del Arreglo y no constituirán el pago a ninguno de los Miembros de la Clase del Arreglo. Si los Abogados de la Clase reducen de forma voluntaria la solicitud de Honorarios y Gastos de los Abogados de la Clase o si el Tribunal otorga Honorarios y Gastos

de los Abogados de la Clase que son menores que los que se indican más arriba, se volverá a calcular el Monto Neto del Arreglo para reflejar los Honorarios y Gastos de los Abogados de la Clase que se otorgaron concretamente y dichos montos serán distribuidos a la Clase.

Los Honorarios y Gastos de los Abogados de la Clase aprobados por el Tribunal incluirán lo siguiente: (a) todo el trabajo realizado y los costos y gastos incurridos por algún abogado o a indicación de un abogado que represente a la Clase del Arreglo hasta la fecha de esta Estipulación; (b) todo el trabajo que se realizará y los costos que se incurrirán en relación con toda aprobación del Tribunal del Arreglo de la Clase; (c) todo el trabajo que se realizará y los costos y gastos, si existen, incurridos en relación con la administración del Arreglo de la Clase hasta la Fecha de Vigencia y la desestimación de la Acción Legal sin derecho a nuevo juicio; y (d) pueden basarse en la Teoría de Catalizador, Teoría de Fondo Común y/u otros fundamentos.

V. COSTOS Y GASTOS DEL ADMINISTRADOR DEL ARREGLO

A. Costos y gastos del Administrador del Arreglo. Todos los costos y gastos que se deben pagar al Administrador del Arreglo en relación con su administración del Arreglo de la Clase incluyendo, de forma enunciativa y no limitativa, entregar el Aviso de la Clase, encontrar a los Miembros de la Clase del Arreglo, procesar las solicitudes de Exclusión y las objeciones, y calcular, administrar y distribuir los Montos Individuales del Arreglo a los Participantes de la Clase y formularios de impuestos relacionados, se pagarán del Monto Bruto del Arreglo y no superaran los \$15,000.00.

B. Pago por parte de los Demandados. Los Demandados depositarán el Monto Bruto del Arreglo en la Fecha de Aporte de Fondos.

VI. AVISO A LOS MIEMBROS DE LA CLASE Y PROCESO DE ADMINISTRACIÓN DE RECLAMOS

A. El Administrador del Arreglo. El Administrador del Arreglo será responsable de enviar por correo el Aviso de la Clase a los Miembros de la Clase del Arreglo, ocuparse de las consultas de los Miembros de la Clase del Arreglo sobre el Aviso de la Clase, determinar los Montos Individuales del Arreglo, mantener los fondos del arreglo en una cuenta adecuada, preparar, administrar y distribuir los Montos Individuales del Arreglo a los Participantes de la Clase, enviar un informe final y realizar todas las demás tareas que le puedan indicar las Partes.

El Administrador del Arreglo entregará informes semanalmente a los Abogados de la Clase y a los Abogados Defensores con un resumen de la información pertinente y brindándoles actualizaciones sobre la cantidad de objeciones y Solicitudes de Exclusión validadas y presentadas dentro de los plazos previstos. El Administrador del Arreglo enviará por correo electrónico a los Abogados de la Clase y a los Abogados Defensores copias con indicación de la fecha de toda objeción recibida a más tardar cinco (5) días después de su recepción. El Administrador del Arreglo entregará a los Abogados de la Clase una constancia de envío por correo del Aviso de la Clase, sin indicar los nombres de los Miembros Individuales de la Clase, que el Administrador del Arreglo presentará ante el Tribunal cuando los Abogados de la Clase presenten su moción en apoyo de la Aprobación Definitiva y la Audiencia de Justicia del Tribunal.

A más tardar catorce (14) días antes de la Aprobación Definitiva y de la Audiencia de Justicia, el Administrador del Arreglo recopilará y entregará a los Abogados de la Clase y a los Abogados Defensores un informe con información resumida sobre (a) el monto total de los Montos Individuales del Arreglo definitivos de cada Participante de la Clase, (b) la cantidad de Participantes de la Clase que recibirán dichos pagos, y (c) la cantidad definitiva de Exclusiones y objeciones.

Se estima que los Gastos Administrativos son de \$10,000.00. Con anterioridad al cálculo y la distribución de los Montos Individuales del Arreglo, el Administrador del Arreglo calculará los Gastos Administrativos totales hasta la conclusión de sus servicios y dicho monto se deducirá del Monto Bruto del Arreglo antes del cálculo definitivo de los Montos Individuales del Arreglo. Si el costo de la administración resulta superior a \$10,000.00, el costo adicional saldrá del Monto Bruto del Arreglo.

B. Aviso a los Miembros de la Clase del Arreglo. El Aviso se entregará a los Miembros de la Clase del Arreglo de la siguiente manera: En un plazo de 14 días de la Fecha de Aprobación Preliminar, los Demandados entregarán al Administrador del Arreglo una lista de los Miembros de la Clase que incluye los nombres, números del seguro social, últimas direcciones conocidas, y la cantidad total de períodos de pago trabajados por cada Miembro de la Clase durante el Período de la Clase (la “Base de Datos”).

En un plazo de 28 días de la Fecha de Aprobación Preliminar, el Administrador del Arreglo determinará la cantidad de períodos de pago para cada Miembro de la Clase del Arreglo en base a la

información proporcionada por los Demandados y realizará una búsqueda nacional de cambio de dirección de la dirección de cada Miembro de la Clase, actualizará los resultados en base a los resultados de la búsqueda, completará los datos de Monto Individual del Arreglo para cada Miembro de la Clase del Arreglo, y enviará un Aviso a cada Miembro de la Clase del Arreglo por el correo de primera clase de los Estados Unidos. El Aviso de la Clase también incluirá una declaración fácilmente comprensible advirtiendo a los Miembros de la Clase que, a menos que decidan Excluirse del Arreglo de la Clase, el Miembro de la Clase del Arreglo exime de responsabilidad y renuncia a todos los Reclamos Eximidos contra las Partes Eximidas.

El Aviso de la Clase informará a los Miembros de la Clase del Arreglo los términos generales del Arreglo y su parte individual estimada del Monto Individual del Arreglo. El Aviso de la Clase se enviará en inglés y español. Los Miembros de la Clase pueden objetar los registros de los Demandados sobre la cantidad de períodos de pago trabajados durante el Período de la Clase mediante el envío de información al Administrador del Arreglo a más tardar 60 días después del envío por correo del Aviso de la Clase por parte del Administrador del Arreglo, que es la “Fecha Límite de Respuesta” definida. Los Miembros de la Clase pueden enviar litigios directamente al Administrador del Arreglo por correo, fax, entrega personal u otro método similar. El Administrador del Arreglo trabajará en conjunto con los Demandados, los Abogados Defensores y los Abogados de la Clase para resolver los litigios de buena fe. Si las Partes no pueden llegar a un acuerdo sobre los períodos de pago que se deben acreditar, el Administrador del Arreglo tomará la decisión definitiva en base a la información presentada por el Miembro de la Clase del Arreglo y los Demandados.

C. Procedimiento de Exclusión. Se considerará que los Miembros de la Clase del Arreglo que no se Excluyen dentro de los plazos previstos del Arreglo de la Clase participan en el Arreglo de la Clase y se convertirán en un Participante de la Clase sin necesidad de presentar un formulario de reclamo ni tomar ninguna otra medida. Para Excluirse del Arreglo de la Clase, los Miembros de la Clase del Arreglo deben enviar una carta o tarjeta postal al Administrador del Arreglo a más tardar en la Fecha Límite de Respuesta. La solicitud de Exclusión debe incluir el nombre y la dirección para fines de correspondencia y verificación de identidad, la firma del Miembro de la Clase del Arreglo, y debe incluir una frase que indique lo siguiente: “I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS

1 IN RODRIGUEZ VS. WORLD CLASS STAFFING SERVICES LLC.” (DESEO EXCLUIRME DE LA
2 CLASE DEL ARREGLO DE RODRÍGUEZ VS. WORLD CLASS STAFFING SERVICES LLC.) o
3 demostrar de otra manera una intención clara de ser excluido del Arreglo. Las solicitudes de exclusión
4 no se considerarán inválidas si no incluyen la frase exacta de “I WISH TO BE EXCLUDED FROM THE
5 SETTLEMENT CLASS IN RODRIGUEZ VS. WORLD CLASS STAFFING SERVICES LLC” siempre
6 y cuando en el envío resulte evidente la intención de excluirse del Miembro de la Clase. A menos que el
7 Tribunal determine que existe un motivo justificado, toda solicitud de Exclusión que no incluya una fecha
8 de matasellos a más tardar de la Fecha Límite de Respuesta será inválida. Si con anterioridad a la Fecha
9 Límite de Respuesta tiene lugar la devolución de algún Aviso de la Clase enviado por correo a un
10 Miembro de la Clase del Arreglo debido a que el Servicio de Correo de los Estados Unidos no lo pudo
11 entregar, el Administrador del Arreglo llevará a cabo una búsqueda de paradero para obtener una
12 corrección de la dirección para dicho Miembro o Miembros de la Clase del Arreglo y enviará un segundo
13 Aviso de la Clase a la dirección nueva o diferente que obtuvo. Dicho Miembro o Miembros de la Clase
14 del Arreglo contarán con 14 días adicionales para Excluirse.

15 Si el Administrador del Arreglo determina que una solicitud de Exclusión enviada por un
16 Miembro de la Clase del Arreglo antes de la Fecha Límite de Respuesta es deficiente, el Administrador
17 del Arreglo enviará por correo una carta de deficiencia a dicho Miembro de la Clase del Arreglo
18 identificando el problema. Si un Miembro de la Clase del Arreglo envía tanto una objeción como una
19 solicitud de Exclusión, el Administrador del Arreglo intentará de forma razonable obtener una aclaración
20 de la misma manera que si la solicitud de Exclusión hubiera sido deficiente. Si el Miembro de la Clase
21 no rectifica la deficiencia, se desestimaré la solicitud de Exclusión y se pagará el reclamo y el Miembro
22 de la Clase quedará obligado por la sentencia. Los Miembros de la Clase del Arreglo que no se Excluyen
23 dentro de los plazos previstos quedarán obligados por la Exención de Responsabilidad de los Reclamos
24 Eximidos que se establece en esta Estipulación.

25 **D. Objeciones.** El Aviso de la Clase informará a los Miembros de la Clase del Arreglo sobre
26 su derecho a objetar el Arreglo de la Clase. Todo Miembro de la Clase del Arreglo que desea objetar el
27 Arreglo de la Clase debe enviar una objeción por escrito al Administrador del Arreglo no más allá de la
28 Fecha Límite de Respuesta. Todas las objeciones de los Miembros de la Clase deben incluir el nombre y

la dirección actual del Miembro de la Clase para fines de correspondencia y verificación de identidad, proporcionar cada motivo específico en apoyo de la objeción, estar firmadas por el Miembro de la Clase, e incluir una fecha de matasellos no posterior a la Fecha Límite de Respuesta. Los Miembros de la Clase no tienen necesidad de incluir argumentos legales para que se tomen en cuenta sus objeciones por escrito. Los Miembros de la Clase que no presentan una objeción por escrito dentro de los plazos previstos pueden comparecer de todas maneras en la audiencia de aprobación y justicia definitiva y dirigir la palabra sobre toda objeción en la misma. Si una persona que objeta desea comparecer durante la Audiencia de Aprobación Definitiva y de Justicia en persona o a través de un abogado, la misma no tiene necesidad de presentar un aviso de intención de comparecer al mismo tiempo que presenta la objeción. No es necesaria la presentación de un aviso de intención de comparecer para conservar el derecho de comparecer durante la Audiencia de Aprobación Definitiva y de Justicia. Los Miembros de la Clase ausentes no tienen necesidad de presentar nada ante el Tribunal. El Administrador del Arreglo entregará oportunamente copias de toda objeción o aviso de intención de comparecer a los Abogados de la Clase y a los Abogados Defensores. Los Miembros de la Clase del Arreglo pueden comparecer durante la Audiencia de Aprobación Definitiva, ya sea en persona (en la medida en que esté permitido por el Tribunal), a través de un método remoto autorizado por el Tribunal, o representados por un abogado corriendo con los gastos. Si un Miembro de la Clase presenta tanto una Solicitud de Exclusión como una objeción por escrito, el Administrador del Arreglo intentará comunicarse con el Miembro de la Clase y determinar si el mismo desea retirar ya sea la Solicitud de Exclusión o la objeción. Si el Miembro de la Clase no retira la Solicitud de Exclusión o la objeción o si el Administrador del Arreglo no puede comunicarse con un Miembro de la Clase que envía tanto una Solicitud de Exclusión como una objeción, será válida la Solicitud de Exclusión, y se supondrá que el Miembro de la Clase no desea participar en el Arreglo.

E. Declaración del Administrador del Arreglo. Por lo menos 30 días antes de la Audiencia de Aprobación Definitiva y Justicia, el Administrador del Arreglo entregará a los Abogados de la Clase y a los Abogados Defensores una Declaración de Diligencia Debida y Prueba de Envío por Correo en lo que se refiere al envío por correo del Aviso de la Clase y sus tentativas para encontrar a los Miembros de la Clase. La declaración especificará la cantidad de Miembros de la Clase del Arreglo a los que se les envió por correo Avisos de la Clase y la cantidad de Miembros de la Clase del Arreglo a quienes no se

les entregaron los Avisos de la Clase, además de información relacionada con la cantidad de Exclusiones y objeciones. Los Abogados de la Clase presentarán dicha declaración ante el Tribunal.

VII. FONDOS Y DISTRIBUCIÓN DEL ARREGLO DE LA CLASE

A. Asignación del Monto Bruto del Arreglo. Se llega a un arreglo por los reclamos de todos los Miembros de la Clase del Arreglo a cambio del Monto Bruto del Arreglo de \$150,000.00, que se asignará de la siguiente manera:

1. Los Gastos Administrativos, que se estima que no superarán los \$10,000.00;
2. Los Honorarios y Gastos de los Abogados de la Clase, que no superarán los \$50,000.00 de honorarios, y gastos que no superarán los \$8,000.00;
3. El Pago PAGA de \$20,000.00, de los cuales \$15,000.00 se pagarán a la LWDA;
4. El Pago por Servicios, que no superará los \$8,000.00; y
5. Se estima que el Monto Neto del Arreglo (cuando se incluye la parte de \$5,000 de los Empleados PAGA) es de \$59,000.00.

Para los fines del cálculo de los Montos Individuales del Arreglo estimados, el Administrador del Arreglo calculará el Monto Neto del Arreglo estimado en base a los valores estimados en la Sección VII(A)(1-4) antes de enviar el Aviso a los Miembros de la Clase del Arreglo. Antes de la distribución definitiva, el Administrador del Arreglo calculará el Monto Neto del Arreglo definitivo en base a los valores concretos en la Sección VII(A)(1-4).

B. Cálculo de los Montos Individuales del Arreglo. Los Montos Individuales del Arreglo que se pagarán a los Participantes de la Clase se pagarán del Monto Neto del Arreglo. La parte del Monto Neto del Arreglo que corresponde pagar a cada Participante de la Clase se calculará de la siguiente manera: el Administrador del Arreglo dividirá el Monto Neto del Arreglo por la cantidad total de períodos de pago trabajados por los Miembros de la Clase durante el Período de la Clase con el objeto de determinar el monto al que tiene derecho cada Miembro de la Clase por cada período de pago en el que fue un empleado de los Demandados durante el Período de la Clase (el “Monto del Período de Pago”). El Administrador del Arreglo multiplicará el Monto del Período de Pago por la cantidad total de períodos de pago trabajados por cada Miembro de la Clase durante el Período de la Clase para obtener el Monto Individual del Arreglo de cada Miembro de la Clase. En el caso de los Miembros de la Clase que deciden

excluirse del Arreglo enviando una Solicitud de Exclusión válida (como se define a continuación) y/o cuyo Aviso de Arreglo se determina que no se puede entregar después de que el Administrador del Arreglo lo vuelva a enviar de forma razonable, no se pagará el Pago Individual del Arreglo de los Miembros de la Clase al Miembro de la Clase y el mismo se sumará al Monto Neto del Arreglo y se volverá a distribuir entre los Miembros de la Clase Participantes de forma prorrateada.

El 25% de los Empleados Agraviados de las Sanciones PAGA se calculará y distribuirá a los Empleados Agraviados de forma prorrateada en función de la cantidad de períodos de pago trabajados durante el Período PAGA Cubierto. La asignación a los Empleados Agraviados se determinará dividiendo la totalidad del Fondo PAGA asignado a los Empleados Agraviados por la cantidad de períodos de pago en el Período PAGA. El monto resultante será el Monto de Período de Pago PAGA. Cada Empleado Agraviado, lo que incluye al Demandante, recibirá un valor prorrateado igual a la cantidad de períodos de pago trabajados durante el Período PAGA multiplicado por el Monto de Período de Pago PAGA de la parte prorrateada de cada Empleado Agraviado del Fondo de Sanciones PAGA que representa su parte del 25% de las sanciones PAGA que se deben distribuir a los Empleados Agraviados.

Los Demandados y las Partes Eximidas no tendrán ninguna responsabilidad para decidir la validez de los Montos Individuales del Arreglo ni ningún otro pago que tenga lugar de conformidad con esta Estipulación y no tendrán ninguna participación ni responsabilidad para determinar o pagar los Impuestos del Empleado, y no tendrán ninguna responsabilidad por todo error cometido en relación con dichos Impuestos del Empleado. El Demandante y los Participantes de la Clase serán los únicos responsables por toda obligación de impuestos relacionada con sus respectivos Montos Individuales del Arreglo.

C. Oportunidad del pago de Honorarios y Gastos a los Abogados de la Clase. El Administrador del Arreglo pagará a los Abogados de la Clase los honorarios y gastos de abogados aprobados por el Tribunal a los Abogados de la Clase no más allá de 15 días después de que los Demandados depositen el total del Monto Bruto del Arreglo al Administrador del Arreglo.

D. Oportunidad del pago del Pago por Servicios al Representante de la Clase. El Administrador del Arreglo pagará al Representante de la Clase el Pago por Servicios aprobado por el Tribunal no más allá de 15 días después de que los Demandados depositen el total del Monto Bruto del Arreglo al Administrador del Arreglo.

1 **E. Oportunidad del pago del Pago PAGA a la LWDA.** El Administrador del Arreglo
2 pagará a la LWDA la parte del Pago PAGA que se le debe aprobado por el Tribunal no más allá de 15
3 días después de que los Demandados depositen el total del Monto Bruto del Arreglo al Administrador
4 del Arreglo.

5 **F. Oportunidad del pago de los Montos Individuales del Arreglo.** El Administrador del
6 Arreglo enviará por correo, por el correo de primera clase de los Estados Unidos, el Monto Individual
7 del Arreglo a cada Participante de la Clase a la última dirección conocida no más allá de 15 días después
8 de que los Demandados depositen el Monto Bruto del Arreglo al Administrador del Arreglo. El
9 Administrador del Arreglo en ningún caso distribuirá cheques a los Participantes de la Clase hasta que se
10 hayan tomado en cuenta, calculado y contabilizado todos los Montos Individuales del Arreglo y se hayan
11 calculado y contabilizado todas las obligaciones monetarias restantes. Dentro de los 200 días de la
12 distribución de las Partes Individuales del Arreglo de la Clase, el Administrador del Arreglo debe
13 proporcionar a los Abogados de la Clase una declaración que proporcione información suficiente para
14 permitir que el Tribunal lleve a cabo una audiencia de cumplimiento de conformidad con § 384 del
15 Código de Procedimientos Civiles. En el caso del fallecimiento de algún Participante de la Clase, el pago
16 corresponderá a la sucesión de dicho Miembro de la Clase del Arreglo y será entregado al albacea o
17 administrador de dicha sucesión, a menos que el Administrador del Arreglo haya recibido una declaración
18 jurada o declaración de conformidad con § 13101 del Código Sucesorio de California, en cuyo caso el
19 pago se hará al/a los deponente(s) o declarante(s).

20 **G. Cheques del Arreglo no cobrados.** Todo fondo relacionado con cheques que no fueron
21 cobrados en un plazo de 180 días se convertirá en nulo, y el Monto Individual del Arreglo relacionado
22 con el cheque no cobrado se pagará de conformidad con la sección 384 del Código Civil a un “cy pres”
23 acordado por las Partes, como lo exige la sección 384 del Código de Procedimientos Civiles o mediante
24 todo otro método de distribución consistente con la sección 384 del Código de Procedimientos Civiles.
25 El receptor “cy pres” será CASA of San Bernardino County u otro receptor “cy pres” acordado
26 mutuamente si el Tribunal no aprueba el beneficiario propuesto de las Partes y/o como resulte consistente
27 de otra manera con la sección 384 del Código de Procedimientos Civiles. Las Partes, los Abogados de la
28

Clase y los Abogados Defensores declaran que no tienen ninguna participación ni relación, financiera o de otro tipo, con el receptor “cy pres” previsto.

VIII. ANULACIÓN DE ESTA ESTIPULACIÓN

A. No aprobación de esta Estipulación. Si el Tribunal no aprueba el Arreglo conforme a los términos acordados por las Partes, el tribunal de apelaciones adecuado no ratifica el Arreglo, o se da por terminado al Acuerdo de Arreglo de otra manera: (1) el Acuerdo de Arreglo no tendrá ninguna validez ni efecto y las Partes regresarán a sus respectivas posturas anteriores a su suscripción del mismo, y ninguna Parte quedará vinculada por ninguno de los términos del Acuerdo de Arreglo; (2) los Demandados y las Partes Eximidas no tendrán ninguna obligación de hacer ninguno de los pagos a los Miembros de la Clase del Arreglo, el Demandante o los Abogados de la Demandante; (3) todo monto depositado por los Demandados al Administrador del Arreglo será devuelto inmediatamente al Demandado que pagó los fondos al Administrador del Arreglo; (3) toda orden de aprobación preliminar, orden de la aprobación definitiva o sentencia quedará sin efecto; y (5) el Acuerdo de Arreglo y todas las negociaciones, declaraciones, procedimientos y datos relacionados con el mismo se considerarán comunicaciones confidenciales del arreglo de mediación y no estarán sujetos a divulgación por ningún motivo en ningún procedimiento. Sin embargo, las Partes primero harán todo lo posible de buena fe para resolver todo tema planteado por el Tribunal durante el proceso de aprobación.

B. Derechos de las Partes a anular el Arreglo de la Clase. Si más del 10% de los Miembros de la Clase envían decisiones de excluirse del arreglo, los Demandados tendrán derecho a rescindir y dar por terminado el Arreglo sin perjuicio de sus posturas previas al arreglo y defensas en el proceso judicial. Si se supera el límite de exclusiones, el Administrador del Arreglo notificará inmediatamente al abogado principal de todas las partes por correo electrónico. Si cualquiera de las Partes decide anular el Arreglo de la Clase conforme a este párrafo, dicha Parte será responsable de todos los honorarios y costos del Administrador del Arreglo incurridos concretamente.

C. Montos no otorgados por el Tribunal. Si el Tribunal no otorga ninguno de los honorarios de abogados, costos, costos de administración del arreglo y/o pagos por servicios solicitados, cualquier monto no aprobado u otorgado por el Tribunal se sumará al monto Neto del Arreglo que se distribuirá a los Miembros de la Clase participantes. El hecho de que dichos montos no se otorguen y/o

se reduzcan no será causal para cancelar el Acuerdo.

D. Invalidación. La invalidación de toda parte sustancial del Arreglo de la Clase invalidará el Arreglo de la Clase en su totalidad, a menos que las Partes acuerden por escrito posteriormente que las disposiciones restantes del Arreglo de la Clase seguirán en plena vigencia y efecto.

E. Suspensión ante una apelación. En el caso de que tenga lugar una apelación dentro de los plazos previstos de la aprobación del Arreglo de la Clase y Sentencia por parte de un miembro de la clase que presenta una objeción, la sentencia quedará suspendida, y los Demandados no tendrán la obligación de proporcionar fondos para el Monto Bruto del Arreglo ni de tomar ninguna de las demás medidas exigidas por esta Estipulación hasta que se hayan agotado todos los derechos de apelación conforme a derecho.

F. Renuncia de los Demandados y las Partes Eximidas al derecho a apelar. Los Demandados y Partes Eximidas Scott Hanson y Beatriz Power por el presente renuncian al derecho a apelar y no tendrán derecho a apelar ningún aspecto de la Propuesta de Arreglo de las Partes.

IX. MOCIÓN PARA APROBACIÓN DEL TRIBUNAL

A. Aprobación Preliminar. Los Abogados de la Clase presentarán esta Estipulación ante el Tribunal junto con una Moción de Aprobación Preliminar del Arreglo de la Clase.

B. Aprobación Definitiva. La Audiencia de Aprobación Definitiva y de Justicia tendrá lugar ante el Tribunal, a menos que el Tribunal ordene lo contrario. Durante la Audiencia de Aprobación Definitiva y de Justicia, el Demandante solicitará al Tribunal el dictado de una orden definitiva que certifique la Clase para fines del arreglo únicamente y que apruebe el Arreglo de la Clase como justo, razonable y adecuado para los Participantes de la Clase según el significado de las Normas 3.769(c), (d) y (e) de las Normas Procesales de California y para el dictado de una sentencia definitiva de la Acción Legal consistente con los términos del Arreglo de la Clase y de la Norma Procesal de California 3.769(h). Los Abogados de la Clase y los Abogados Defensores presentarán ante el Tribunal los alegatos y/o pruebas que sean necesarios para la determinación del Tribunal. Las Partes cumplirán con las Pautas Procesales del Tribunal para la Aprobación Definitiva de Arreglos de Demanda Colectiva y con § 384 del Código de Procedimientos Civiles de que las Partes deben participar en una audiencia de cumplimiento concerniente con la distribución de los fondos, a menos que el Tribunal deje sin efecto

dicha audiencia después de evaluar la declaración de cumplimiento del Administrador del Arreglo o de conformidad con otra orden del Tribunal.

X. EXENCIONES DE RESPONSABILIDAD Y RENUNCIAS

A. Exención de responsabilidad por los Reclamos por parte de la Clase del Arreglo. El deseo de las Partes y de los Miembros de la Clase del Arreglo es llegar a un arreglo, transigir y exonerar de forma plena, definitiva y para siempre los Reclamos Eximidos. Al momento de la Fecha de Vigencia, todos los Miembros de la Clase del Arreglo que no enviaron una solicitud de Exclusión dentro de los plazos previstos, y el Demandante, eximirán de responsabilidad a los Demandados, y a cada uno de ellos, por todos los Reclamos Eximidos durante el Período de la Clase; sin embargo, la Exención de Responsabilidad no tendrá vigencia en cuanto a los propietarios, funcionarios, directores, gerentes y abogados de cualquier Demandado que no deposite su parte del Monto Bruto del Arreglo (\$130,000 para Star HR LLC y \$20,000 para World Class Staffing Services LLC) de conformidad con la Fecha de Aporte de Fondos. Cada Miembro de la Clase del Arreglo, a excepción de los que se Excluyen dentro de los plazos previstos, quedará obligado por la exención de responsabilidad de los Reclamos Eximidos debido al Arreglo de la Clase y a los términos de la sentencia definitiva y el cumplimiento de dicha sentencia.

B. Exención de responsabilidad por los Reclamos por parte de los Empleados Agraviados. Al momento de la Fecha de Vigencia, independientemente de si son Miembros de la Clase o Participantes de la Clase y enviaron una Solicitud de Exclusión válida, el Estado de California y todos los Empleados Agraviados llegarán a un arreglo, llegarán a un compromiso y eximirán de responsabilidad de forma plena, definitiva y para siempre por los Reclamos PAGA Eximidos presentados de conformidad con la PAGA; sin embargo, la Exención de Responsabilidad PAGA no tendrá vigencia en cuanto a los propietarios, funcionarios, directores, gerentes y abogados de cualquier Demandado que no deposite su parte del Monto Bruto del Arreglo (\$130,000 para Star HR LLC y \$20,000 para World Class Staffing Services LLC) de conformidad con la Fecha de Aporte de Fondos.

C. Exención de responsabilidad por los Reclamos por parte del Demandante.
El Demandante, en su nombre y en representación de sus herederos, albaceas, administradores y representantes, por el presente exime de responsabilidad, exonera y acepta relevar para siempre a las

Partes Eximidas por toda acusación, demanda, reclamo, responsabilidad, obligación, promesa, acuerdo, controversia, daño, acción legal, causa de acción legal, juicio, derecho, costo, pérdida, deuda y gasto (incluyendo honorarios de abogados y costos), conocido o desconocido, por derecho o equidad, que pueda tener en la actualidad o pueda tener después de la firma de esta Estipulación, que surja o se relacione de alguna manera con su empleo en los Demandados y las Partes Eximidas, incluyendo los Reclamos Eximidos, reclamos que se hicieron valer o que se podrían haber hecho valer en la Demanda y toda transacción, incidente o tema entre las Partes que tuvo lugar antes de la fecha en la que se suscribe plenamente esta Estipulación. Sin limitar el carácter general de lo anterior, esta exención de responsabilidad incluirá, de forma enunciativa y no limitativa, todo reclamo conforme a (a) la Ley de Norteamericanos con Discapacidades, como fue enmendada; (b) el Título VII de la Ley de Derechos Civiles de 1964, como fue enmendada; (c) la Ley de Derechos Civiles de 1991; (d) 42 U.S.C. § 1981, como fue enmendado; (e) la Ley Contra la Discriminación en el Empleo por Motivos de Edad, como fue enmendada; (f) la Ley de Normas Justas de Trabajo, como fue enmendada; (g) la Ley de Igualdad Salarial; (h) la Ley de Seguridad de Ingresos de Retiro de Empleados, como fue enmendada; (i) la Ley Ómnibus Consolidada de Reconciliación Presupuestaria, como fue enmendada; (j) la Ley de Rehabilitación de 1973; (k) la Ley de Licencia Familiar y Médica; (l) la Ley de Derechos Civiles de 1966; (m) la Ley de Empleo y Vivienda Justa de California; (n) la Constitución de California; (o) el Código de Trabajo de California; (p) el Código de Gobierno de California; (q) el Código Civil de California; (r) las Órdenes de Salario de California, y (s) todo otro estatuto, ordenanza, regulación, norma y otras leyes federales, estatales y locales, y todo reclamo en base a fundamentos constitucionales, estatutarios, de derecho consuetudinario o regulatorios, además de todo otro reclamo en base a teorías de despido indebido o constructivo, incumplimiento de contrato o contrato implícito, fraude, tergiversación, impedimento promisorio o causar de forma intencional y/o negligente angustia emocional, o daños conforme a todo otro estatuto, ordenanza, regulación, norma o ley federal, estatal o local. Esta exención de responsabilidad es por toda reparación, sin importar su denominación incluyendo, de forma enunciativa y no limitativa, pagos atrasados, pagos por anticipado, pagos de vacaciones, bonificaciones, daños compensatorios, daños por responsabilidad extracontractual, daños liquidados, daños punitivos, daños por dolor y sufrimiento, y honorarios y costos de abogados, y por el presente el Demandante exime

de responsabilidad y exonera para siempre a los Demandados y a las Partes Eximidas por todo reclamo de honorarios y costos de abogados que surjan de los temas eximidos en esta Estipulación.

El Demandante reconoce específicamente que conoce la existencia y está familiarizado con las disposiciones de la Sección 1542, que determina lo siguiente:

Una exención de responsabilidad general no cubre reclamos que el acreedor o la parte que exime no sabe o no sospecha que existan a su favor al momento de suscribir la exención de responsabilidad, y que, de ser conocidos por el mismo, hubieran afectado sustancialmente su arreglo con el deudor o parte eximida.

El Demandante es consciente de la Sección 1542 y, por el presente, renuncia expresamente a todos los derechos y beneficios que pueda tener conforme a la Sección 1542, además de todo otro estatuto o principio de derecho consuetudinario de efecto similar. Es posible que el Demandante de aquí en más descubra hechos adicionales o diferentes a los que conoce en la actualidad o que considera verdaderos en la actualidad en relación con el tema de todos los reclamos a los que se hace referencia en el presente, pero estipula y acuerda que, salvo que se disponga lo contrario en el presente, al momento de la Fecha de Vigencia, el Demandante por el presente exime de responsabilidad de forma plena, definitiva y para siempre sobre todo reclamo contra los Demandados y las Partes Eximidas, conocido o desconocido, sospechado o insospechado, contingente o no contingente, que se hizo valer o que se podría haber hecho valer conforme a cualquier teoría de derecho o equidad sin tener en cuenta el descubrimiento posterior de la existencia de dichos hechos diferentes o adicionales. No obstante lo anterior, si los Demandados no depositan su parte del Monto Bruto del Arreglo (\$130,000 para Star HR LLC y \$20,000 para World Class Staffing Services LLC), el Demandante no estará obligado por esta exención de responsabilidad adicional de los Demandados o de las Partes Eximidas ni de ninguna persona afiliada a los Demandados o las Partes Eximidas. Además, no obstante lo anterior, ninguna de las secciones de este Acuerdo de Arreglo servirá ni será interpretada como una exención de responsabilidad de cualquier reclamo que no es posible eximir, como reclamos por desempleo, que no pueden ser eximidos como cuestión de derecho.

XI. OBLIGACIONES DE LAS PARTES

A. Cooperación mutua plena. Las Partes acuerdan cooperar plenamente con la otra para lograr e implementar los términos de esta Estipulación. Dicha cooperación incluirá, de forma enunciativa y no limitativa, suscribir todo documento adicional y tomar toda medida adicional que sea necesaria de forma razonable para cumplir con los términos de este Arreglo de la Clase, a menos que el Tribunal

rechace la Propuesta de Arreglo sin derecho a nueva revisión. Como parte del proceso de Aprobación Preliminar, World Class a través de su propietaria Beatriz Power proporcionará al Demandante y a los Abogado de la Clase una declaración detallada que brinde información suficiente para que el Tribunal evalúe su estado financiero y que afirme que Beatriz Power no es propietaria de ninguna otra compañía. Tan pronto como sea posible después de la suscripción de esta Estipulación, los Abogados de la Clase, con la cooperación de los Demandados y los Abogados Defensores, tomarán todas las medidas necesarias y razonables para obtener la aprobación definitiva del Tribunal de esta Estipulación. Las Partes trabajarán en conjunto para realizar todas las modificaciones no sustanciales del Arreglo solicitadas por el Tribunal para obtener la aprobación de la Propuesta de Arreglo de las Partes y trabajarán en conjunto en colaboración para obtener la aprobación, a menos que la Propuesta de Arreglo de las Partes sea rechazado sin derecho a una nueva solicitud y dicho rechazo no pueda subsanarse haciendo modificaciones razonables a la Propuesta de Acuerdo de Arreglo. Los Demandados no podrán impugnar ninguna disposición de este Acuerdo de Arreglo lo que incluye, de forma enunciativa y no limitativa, la propuesta de Pago por Servicios del Demandante. Las Partes harán todo lo posible, incluyendo todo lo que se contempla en esta Estipulación y todo lo que pueda convertirse en necesario debido a una orden del Tribunal o de otra manera, para poner en práctica esta Estipulación y los términos en la misma.

B. Obligación de apoyar y defender el Arreglo de la Clase. Las Partes acuerdan cumplir con todos y cada uno de los términos del Arreglo de la Clase de buena fe y apoyar plenamente el Arreglo de la Clase y hacer todo lo posible para defender este Arreglo de la Clase de toda impugnación legal, ya sea durante una apelación o ataque indirecto.

C. Obligaciones anteriores a la aprobación del Tribunal. Los Abogados de la Clase presentarán oportunamente esta Estipulación ante el Tribunal para su aprobación preliminar y determinación por parte del Tribunal de su justicia, adecuación y razonabilidad. Inmediatamente después de la suscripción de esta Estipulación, los Abogados de la Clase llevarán a cabo una presentación ante el Tribunal para obtener el dictado de una orden preliminar, que programe una audiencia sobre el tema de si el Arreglo de la Clase propuesto debe ser aprobado por ser justo, razonable y adecuado para los Miembros de la Clase del Arreglo, aprobando la forma y el contenido del Aviso de la Clase propuesto, respectivamente, e instruyendo el envío por correo del Aviso de la Clase a los Miembros de la Clase del

Arreglo.

XII. DISPOSICIONES VARIAS

A. Cláusula de Ajuste Proporcional. Los Demandados declararon que existían aproximadamente 422 Miembros de la Clase y 7,746 semanas laborales de períodos de pago al 15 de octubre de 2023. Si, cuando se preparan los avisos para su distribución después de la aprobación preliminar del arreglo, la cantidad de períodos de pago/semanas laborales supera la cantidad declarada de períodos de pago/semanas laborales (7,746 períodos de pago/semanas laborales) en más del 10% (por ejemplo, si hay más de 8,520 períodos de pago/semanas laborales), los Demandados acuerdan aumentar el Monto Bruto del Arreglo de forma prorrateada igual al aumento de la cantidad de períodos de pago en relación con las estimaciones. A modo de ejemplo, si el resultado es que hay 9,000 períodos de pago, el arreglo aumentará en un 16.19% (9,000 períodos de pago reales/7,746 períodos de pago declarados por los Demandados), que es el monto del aumento en relación con los montos declarados por los Demandados. Los Demandados aportarán fondos para los montos ajustados proporcionalmente en función de su contribución al Monto Bruto del Arreglo, a menos que uno de los Demandados pueda demostrar que no tiene relación con la inclusión de los períodos de pago adicionales, en cuyo caso el Demandado que fue exclusivamente responsable de los períodos de pago/semanas laborales adicionales será completamente responsable de aportar fondos para el monto ajustado exigido por la Cláusula de Ajuste Proporcional.

B. Costos de administración adicionales en base a Miembros de la Clase/Empleados Agraviados adicionales. Si la cantidad de Miembros de la Clase/Empleados Agraviados supera los 500 Miembros de la Clase/Empleados Agraviados, los Demandados pagarán cualquier costo administrativo adicional de forma proporcional a su contribución al Monto Bruto del Arreglo, a menos que uno de los Demandados pueda demostrar que no tiene relación con la inclusión de los Miembros de la Clase/Empleados Agraviados adicionales, en cuyo caso el Demandado que fue exclusivamente responsable de los Miembros de la Clase/Empleados Agraviados adicionales será completamente responsable de aportar fondos para cualquier gasto de administración adicional.

C. Hechos diferentes. Las Partes del presente, y cada una de ellas, reconocen que, a excepción de los temas que se declaran expresamente en el presente, los hechos en relación con el litigio

1 y todos los reclamos eximidos por los términos de esta Estipulación pueden resultar distintos o diferentes
2 de los hechos que conocen en la actualidad cada una de las Partes y/o sus abogados, o que dicha Parte o
3 abogados consideran que son verdaderos, y, por lo tanto, cada Parte asume expresamente el riesgo de la
4 existencia de hechos diferentes o desconocidos en la actualidad y acuerda que esta Estipulación será
5 efectiva y vinculante en todos los aspectos a pesar de dicha diferencia.

6 **D. Sin cesiones anteriores.** Las Partes declaran, prometen y garantizan que no cedieron,
7 transfirieron, gravaron ni pretendieron asignar, transferir o gravar directa o indirectamente a ninguna
8 persona o entidad ninguna parte de ninguna responsabilidad, reclamo, demanda, acción legal, causa de
9 acción legal, o derecho que se exime y exonera en el presente a excepción de lo que se establece en el
10 presente.

11 **E. No admisión.** Ninguna de las secciones de esta Estipulación será interpretada o
12 considerada como una admisión de ninguna responsabilidad, culpabilidad, negligencia o acto indebido
13 hacia ninguna otra Parte, o ninguna otra persona, y las Partes específicamente rechazan toda
14 responsabilidad, culpabilidad, negligencia o acto indebido hacia la otra Parte o cualquier otra persona.
15 Cada una de las Partes suscribió esta Estipulación con la intención de evitar litigios y procesos judiciales
16 adicionales con los consecuentes inconvenientes, gastos y contingencias. Ninguna de las secciones del
17 presente constituirá una admisión por parte de los Demandados o las Partes Eximidas de actos indebidos
18 o responsabilidad, o de la veracidad de ninguna de las alegaciones basadas en hechos en la Acción Legal.
19 Ninguna de las secciones del presente constituirá una admisión por parte de los Demandados sobre los
20 méritos de los reclamos en esta Acción Legal. Ninguna de las secciones del presente constituirá una
21 admisión por parte de los Demandados de que la Acción Legal fue presentada de forma adecuada como
22 una demanda colectiva o representativa más allá de los fines de un arreglo. Al contrario, los Demandados
23 rechazan y siguen rechazando todas y cada una de las alegaciones sustanciales y todos los Reclamos. A
24 tal fin, el Arreglo de la Clase de la Acción Legal, la negociación y la suscripción de esta Estipulación, y
25 todos los actos que se llevaron a cabo o los documentos suscritos de conformidad o en fomento de esta
26 Estipulación o del Arreglo de la Clase no constituyen, no se considerarán y no se pueden utilizar como
27 una admisión o evidencia de ningún acto indebido o responsabilidad de parte de los Demandados o de
28 las Partes Eximidas o de la veracidad de alguna de las alegaciones basadas en hechos en la Demanda en

la Acción Legal; y no constituyen, no se considerarán y no se pueden utilizar como una admisión o evidencia de ninguna culpa u omisión de la parte de los Demandados o de las Partes Eximidas en ningún proceso civil, penal, administrativo ante ningún tribunal, agencia administrativa u otro tribunal.

F. Consultas de los medios o de la prensa. Las Partes y sus abogados acuerdan que no emitirán ningún comunicado de prensa, darán inicio a ningún contacto con la prensa, responderán a ninguna consulta de la prensa ni tendrán ninguna comunicación con la prensa sobre el hecho, el monto o los términos del Arreglo.

G. Sin represalias. Los Demandados comprenden y reconocen que tienen la obligación legal de no tomar represalias contra ningún Miembro de la Clase del Arreglo que decide participar en el Arreglo de la Clase o decide Excluirse del Arreglo de la Clase. Los Demandados derivarán toda consulta relacionada con este Arreglo de la Clase al Administrador del Arreglo o a los Abogados de la Clase, y no desalentarán directa o indirectamente a los Miembros de la Clase del Arreglo que son empleados de participar en el Arreglo ni alentarán ni recomendarán a los Miembros de la Clase del Arreglo excluirse u objetar el Arreglo de la Clase.

H. Interpretación. Las Partes del presente acuerdan que los términos y las condiciones de esta Estipulación son resultado de negociaciones prolongadas, intensivas, en condiciones de igualdad y sin colusión entre las Partes, y que esta Estipulación no se debe interpretar a favor ni en contra de ninguna parte debido a la medida en la que alguna de las partes o sus abogados participaron en la redacción de esta Estipulación. Si alguna de las fechas de la Estipulación cae en un fin de semana, un feriado bancario o de tribunales, el momento para actuar será prorrogado hasta el siguiente día hábil.

I. Derecho aplicable. La intención de esta Estipulación es que se rija, y de hecho se regirá, por las leyes del Estado de California, sin aplicación de sus principios de conflicto de derecho, en todos los aspectos, incluyendo la ejecución, interpretación, desempeño y aplicación.

J. Avisos. A excepción de los avisos a los Miembros de la Clase del Arreglo que debe realizar el Administrador del Arreglo, todo aviso u otra comunicación exigida o permitida conforme a esta Estipulación será por escrito y se considerará válido si es entregado en persona a la parte o sus abogados mediante correo certificado de los Estados Unidos, franqueo pagado, correo electrónico, facsímil, o entrega de 24 horas a la dirección de la parte incluida en esta Estipulación.

1 **K. Títulos e interpretaciones.** Los títulos o encabezados de secciones incluidos en el
2 presente se insertan por un motivo de conveniencia y para referencia exclusivamente y de ninguna manera
3 definen, limitan, amplían o describen el alcance de esta Estipulación ni ninguna de sus disposiciones.

4 **L. Modificación.** Esta Estipulación puede ser cambiada, alterada o modificada
5 exclusivamente por escrito con la firma de las Partes y aprobada por el Tribunal. Esta Estipulación se
6 extinguirá únicamente debido a su cumplimiento de conformidad con sus términos o mediante un escrito
7 firmado por las Partes.

8 **M. Cláusula de integración.** Esta Estipulación incluye el acuerdo completo entre las Partes
9 en lo que se refiere al Arreglo de la Clase de la Acción Legal y las transacciones contempladas por el
10 mismo, y todos los acuerdos, entendimientos y declaraciones anteriores o actuales, ya sean verbales o
11 escritos, y ya sea de una parte o de los abogados de dicha parte, quedan reemplazados por el presente. La
12 única manera de renunciar a alguno de los derechos conforme a esta Estipulación es por escrito como se
13 describe más arriba.

14 **N. Sucesores y cesionarios.** Esta Estipulación será vinculante y para beneficio de las Partes
15 y los Miembros de la Clase del Arreglo (excluyendo únicamente a las personas que se Excluyen dentro
16 de los plazos previstos) y sus respectivos herederos, propietarios, fideicomisarios, albaceas,
17 administradores, representantes, funcionarios, directores, accionistas, agentes, empleados, compañías de
18 seguros, abogados, contadores, auditores, asesores, consultores, planes de beneficios de pensión y
19 bienestar, fiduciarios, casas matrices, subsidiarias, afiliadas, compañías relacionadas, compañías
20 conjuntas, antecesores, sucesores y cesionarios actuales y anteriores.

21 **O. Signatarios corporativos.** Toda persona que firma esta Estipulación o todo documento
22 relacionado en nombre de un signatario corporativo o en nombre de una sociedad por el presente garantiza
23 y promete, para beneficio de todas las Partes del presente, que dicha persona fue debidamente autorizada
24 por dicha corporación o sociedad para suscribir esta Estipulación o todo documento relacionado.

25 **P. Suscripción en ejemplares.** Esta Estipulación entrará en vigencia al momento de su
26 suscripción por parte de todos los abajo firmantes y puede ser suscrita de forma electrónica (como a
27 través de Docusign). Las Partes pueden suscribir esta Estipulación en ejemplares, y la suscripción de
28 ejemplares tendrá la misma validez y efecto que si las Partes del Arreglo hubieran firmado el mismo

instrumento.

Q. Sección 664.6 del Código de Procedimientos Civiles. El Tribunal conservará la jurisdicción de conformidad con § 664.6 del Código de Procedimientos Civiles de California.

R. Acción legal para hacer cumplir el Acuerdo. En todo juicio o acción legal ante un tribunal para hacer cumplir los términos de este Acuerdo, la parte vencedora tendrá derecho a recibir sus honorarios de abogados y costos.

S. Honorarios de abogados, costos y gastos. A excepción de lo que se estipula específicamente en contrario en el presente, cada una de las Partes correrá con sus propios honorarios de abogados, costos y gastos, ya sea sujetos a impuestos o no, incurridos por las mismas o que surjan de la Acción Legal y no solicitarán el reembolso de los mismos de ninguna otra parte en esta Estipulación.

EN FE DE LO CUAL, las Partes y sus abogados firman esta Estipulación en la fecha que se indica debajo de sus firmas o la firma de sus representantes. La fecha de esta Estipulación será la fecha de la última firma.

08 / 11 / 2025
Fecha: ____ de agosto de 2025

Jose Rodriguez
José Rodríguez, como una persona, el Representante de la Clase Propuesta y el Representante PAGA

Fecha: ____ de agosto de 2025

En nombre de Star HR LLC
Por: _____
Su: _____

Fecha: ____ de agosto de 2025

En nombre de World Class Staffing Services
Por: Beatriz Power
Su: Socio Gerente

APROBADO EN CUANTO A FORMA Y CONTENIDO:

Fecha: ____ de agosto de 2025

WINSTON LAW GROUP, P.C.

David S. Winston, Esq.
Abogado del Demandante José Rodríguez, la Clase

Propuesta y los empleados agraviados

Fecha: ____ de agosto de 2025

HIRSCHFELD KRAEMER LLP

Monte Grix, Esq.

Aram V. Karagueuzian, Esq.

Abogados del Demandado Star HR LLC

Fecha: ____ de agosto de 2025

LANDEGGER VERANO & DAVIS, ALC

Luiza Manuelian, Esq.

Evelyn Zarraga, Esq.

Abogados del Demandado World Class Staffing Services
LLC



CERTIFIED TRANSLATION

A copy of the translated version is attached to this statement of certification.

Documents Translated For:

LAST NAME: Winston	FIRST NAME: David	MIDDLE NAME: N/A
COMPANY: Winston Law Group, P.C.	DIVISION: N/A	

List of Materials Translated:

Rodriguez vs. World Class Staffing Services LLC, San Bernardino County Superior Court
Case No. CIVSB2315859 – JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

Source Language:	English
Target Languages:	Spanish

Dallas, Texas

WITH REFERENCE TO THE ABOVE-MENTIONED MATERIALS/DOCUMENTS, we at ASTA-USA Translation Services, Inc., a professional document translation company, confirm that we are accredited and competent to translate the above referenced document(s) and attest that the language translation completed by ASTA-USA's certified professional translators, represents an accurate and correct interpretation of the terminology/content of the source document(s). **This is to certify the correctness of the translation only.** We do not guarantee that the original is a genuine document or that the statements contained in the original document(s) are true.

IN WITNESS WHEREOF, ASTA-USA Translation Services, Incorporated has caused the Certificate to be signed by its duly authorized officer(s).

By:

Alain J Roy, President

Date: August 5, 2025



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The American Translators Association
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Exhibit 5

1 **WINSTON LAW GROUP, P.C.**
2 David S. Winston, Esq. CA Bar No. 301667
3 david@employmentlitigators.com
4 1880 Century Park East Suite 511
5 Los Angeles, California 90067
6 Phone: (424) 288-4568
7 Fax: (424) 532-4062

8 Attorney for Plaintiff, the Proposed Class, and the
9 Aggrieved Employees

10 **IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA**
11 **FOR THE COUNTY OF SAN BERNARDINO**

12 JOSE RODRIGUEZ, an individual, on behalf of
13 himself, others similarly situated,

14 PLAINTIFF,

15 vs.

16 WORLD CLASS STAFFING SERVICES LLC, a
17 California Limited Liability Company, STAR HR
18 LLC, a Wyoming Limited Liability Company and
19 DOES 2 thru 50, inclusive,

20 DEFENDANTS.

Case No.: CIVSB2315859

[Assigned For All Purposes to the Hon.
Christian Towns, Dept. S26]

**DECLARATION OF BEATRIZ POWER
ON BEHALF OF WORLD CLASS
STAFFING SERVICES LLC**

Date: September 9, 2025

Time: 8:30 am

Dept.: S26

Action Filed: July 12, 2023

FAC Filed: August 14, 2023

SAC Filed: December 1, 2023

Trial Date: None Set

DECLARATION OF BEATRIZ POWER

1. I am over 18 years of age. I have personal knowledge of the facts set forth herein, and if called upon as a witness, I could and would testify competently thereto.

2. I am the managing member of World Class Staffing Services LLC ("World Class").

3. Defendant World Class experienced severe financial issues in the period following the initiation of this Action. Unfortunately, World Class went from having hundreds of employees to 3 employees.

4. In 2023, Defendant World Class reported income of less than \$55,000, assets of less than \$65,000, and officer compensation was less than \$120,000.

5. World Class' financial condition continued to deteriorate and its payroll—which is its only method of earning income as a staffing company fell from \$25,000 per month at the beginning of the year to less than \$5,000 per month.

6. As a staffing company, World Class does not possess considerable assets.

7. I do not own any other companies, and World Class is my only means of generating income.

8. I have made an inquiry to determine whether or not there is any relationship between the proposed *cy pres* recipient and World Class and its Counsel. Neither World Class, its owners, or its attorneys have an interest in the governance of CASA of San Bernardino County who the Parties' propose as the *cy pres* beneficiary for any uncashed/unclaimed funds as required by California Code of Civil Procedure § 384. I am not aware of any actual or perceived conflict of interest between any of the Parties, law firms, or attorneys involved in this action.

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

Executed on this 2nd day of June, 2025 in Rancho Cucamonga, California.



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Exhibit 6

**PLEASE READ THIS NOTICE CAREFULLY.
IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHTS.**

*This is **not** a solicitation from a lawyer. A court authorized this notice.*

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Jose Rodriguez vs. World Class Staffing Services LLC et al.

Superior Court of The State of California, County of San Bernardino Case No. CIVSB2315859

If you were employed as a non-exempt, hourly employees who worked in California for World Class Staffing Services LLC (“World Class”) and had a wage statement issued by Star HR LLC (“Star HR”) (collectively World Class and Star HR may be referred to as the “Defendants”) at any point between June 8, 2022 and October 15, 2023, a proposed class action settlement may affect your rights and you may be entitled to money under the proposed Settlement.

You are **not** being sued. A court authorized this notice. This is **not** a solicitation from a lawyer.

**PLEASE READ THIS NOTICE CAREFULLY.
IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHTS.**

- You are receiving this Notice because Defendants’ records show that you are in the proposed Settlement Class. Your estimated Net Settlement Award is [INSERT ESTIMATED NET SETTLEMENT AWARD]. Defendants’ records indicate that you worked [INSERT NUMBER OF PAY PERIODS WORKED DURING THE CLASS PERIOD PER DEFENDANTS’ RECORDS] pay periods during the Class Period.
- Plaintiff alleges that Defendants failed to provide accurate itemized wage statements in violation of Labor Code section 226(a) and also seeks penalties under the Private Attorneys’ General Act of 2004 (“PAGA”) for these alleged violations.
- Defendants deny Plaintiff’s claims and assert that they complied with all of their legal obligations under California Labor Code section 226. The Settlement is not an admission of any wrongdoing, and the Court has not made any findings of liability.
- The Parties in this action disagree as to the probable outcome of the lawsuit with respect to liability and damages if it were not settled. Although Plaintiff believes his claims have merit, he recognizes that litigating is a risky proposition, and that he may not prevail on all or some of his claims. Likewise, while Defendants are confident that they have strong defenses to Plaintiff’s claims, they recognize the risks, distractions, and costs involved with litigation. The Parties reached a proposed Settlement of the claims asserted in the lawsuit after considering the risks and costs inherent in litigation.
- On [INSERT PRELIMINARY APPROVAL DATE] the Court granted preliminary approval of the proposed Settlement. The Court has expressed no opinion on the merits of Plaintiff’s claims or Defendants’ defenses.

- You have several options available to you:

PARTICIPATE IN THE SETTLEMENT AND RECEIVE A SETTLEMENT PAYMENT	<u>YOU DO NOT NEED TO DO ANYTHING TO PARTICIPATE IN THE SETTLEMENT AND RECEIVE A SETTLEMENT PAYMENT.</u> By doing nothing, you <u>WILL</u> receive a share of the Settlement proceeds if the proposed Settlement is finally approved, and you will give up any rights to sue Defendants separately regarding certain claims as described below in this Notice. Your estimated Settlement Award is [INSERT ESTIMATED NET SETTLEMENT AWARD] .
ASK TO BE EXCLUDED (OPT OUT)	If you timely request in writing to be excluded from the proposed Settlement, you <u>WILL NOT</u> receive a share of the Settlement proceeds, but you will keep any rights you may have to sue Defendants separately about the same legal claims in this lawsuit. Your written Request for Exclusion letter must be postmarked by [REDACTED] , [REDACTED] . However, you will still be bound to the PAGA release of claims and still receive your portion of the aggrieved employees' \$5,000.00 in PAGA penalties, if you are an aggrieved employee, as explained in more detail below.
OBJECT	You may object to the Settlement if you did not ask to be excluded from the Settlement. If you timely submit in writing an objection to the Settlement and the Settlement is nonetheless granted final approval, you <u>WILL</u> (i) receive a share of the Settlement proceeds and (ii) release legal claims against Defendants. Your written objection should be postmarked by [REDACTED] , [REDACTED] . You can also appear at the Final Approval Hearing scheduled to take place on _____ to verbally object to the Settlement.

Your options are explained further in this Notice.

1. Why did I get this notice?

The Court has granted preliminary approval of the Settlement of the class action brought on behalf of all current and former non-exempt, hourly employees who worked in California for World Class Staffing Services LLC and had a wage statement issued by Star HR LLC at any point between June 8, 2022 and October 15, 2023. You have received this notice because Defendants' records indicate that you are a member of the Settlement Class ("Class Member").

2. What is this lawsuit about?

This lawsuit was filed on July 12, 2023. Plaintiff alleges that Defendants failed to provide accurate itemized wage statements and also seeks penalties under the Private Attorneys' General Act of 2004. Defendants deny the allegations and contend that there is a good faith dispute as to whether it failed to comply with California law at all relevant times hereto.

3. Has the Court decided who is right?

No. The Court has made no decision regarding the merits of Plaintiff's allegations or Defendants' defenses.

4. Why did this case settle?

The Parties in this Action disagree as to the probable outcome of the action with respect to liability and damages if it were not settled. Although Plaintiff believes his claims and that of the Settlement Class have merit, Plaintiff recognizes that litigating is a risky proposition, and that he may not have prevailed on all or some of his claims. Likewise, while Defendants are confident that they have strong defenses to Plaintiff's claims, they recognize the risks, distractions, and costs involved with litigation. The Parties reached the proposed Settlement of the claims asserted in the lawsuit after consideration of the risks and costs inherent in litigation.

5. What are the terms of the proposed Settlement and how much will I receive?

The gross settlement amount is \$150,000.00. Under the proposed Settlement, the following amounts will be deducted before any payments are made to the Settlement Class, subject to final approval by the Court:

- Attorneys' Fees – up to \$50,000.00
- Reimbursement for Case Expenses – up to \$8,000.00
- Payments to the Labor & Workforce Development Agency for PAGA Penalties – \$20,000.00 (\$5,000 of the \$20,000.00 in PAGA Penalties will be distributed to the Aggrieved Employees as part of the Net Settlement Amount, as further explained below).
- Settlement Administration Expenses – up to \$10,000.00
- Service Payment to Class Representative: – up to \$8,000.00

After these deductions, approximately \$59,000.00 (when including the Aggrieved Employees' \$5,000.00 share of PAGA penalties) will be available for payment to the Settlement Class receiving this Notice as the Net Settlement Amount. Each Participating Class Member will share in the Net Settlement Amount on a pro rata basis based upon the number of pay periods worked relative to all Participating Class Members from June 8, 2022 to October 15, 2023.

The Settlement Administrator will then divide the Net Settlement Amount by the total amount of pay periods worked as discussed above to figure out how much money each class member will receive.

Each Class Member shall receive a pro rata portion of the settlement. To calculate a Class Member's Individual Settlement Payment, the Net Settlement Amount will be divided by the aggregate total number of pay periods worked by all Participating Class Members, resulting in the "Pay Period Value." Each Participating Class Member's Individual Settlement Payment will be calculated by multiplying

each individual Participating Class Member’s total number of Pay Periods by the Pay Period Value. Here’s how it works. If there are 8,000 pay periods and you worked 10 pay periods, your share would be calculated as follows:

Share Calculation
$\frac{\$59,000.00 \text{ Net Settlement Amount}}{8,000 \text{ total pay periods}} = \$7.375 \text{ Pay Period Value}$
$10 \text{ pay periods} \times \$7.375 \text{ Pay Period Value} = \$73.75 \text{ Individual Settlement Payment}$

The number of pay periods you worked for World Class as a non-exempt, hourly employee and had a wage statement issued by Star HR in California from June 8, 2022 to October 15, 2023 was [INSERT AMOUNT OF PAY PERIODS WORKED DURING THE CLASS PERIOD] and your Estimated Net Settlement Award is [INSERT ESTIMATED NET SETTLEMENT AWARD]. These amounts are based upon Defendants’ records.

6. What do I have to do to receive a share of the proposed Settlement?

Nothing. If you wish to receive a payment under the terms of this proposed Settlement, you do **NOT** have to do anything. However, it is important that if your address has changed, you give your current mailing address to the Settlement Administrator in order to ensure you receive your share of the Settlement proceeds if the proposed Settlement is finally approved. You will be covered by the release summarized in Section 7, below.

7. What rights am I giving up?

As part of the Settlement, Plaintiff and each Class Member (excluding those who elect to exclude themselves from the class settlement) will fully release and discharge Star HR LLC, World Class Staffing Services LLC, as well as Star HR LLC’s and World Class Staffing Services LLC’s current and former owners (including but not limited to Scott Hanson and Beatriz Power), officers, directors, managers, employees, and attorneys, and Star HR LLC’s and World Class Staffing Services LLC’s parents and subsidiaries from any and all claims for the failure to provide legally compliant wage statements in violation of California Labor Code section 226 during the Class Period (June 8, 2022 to October 15, 2023) that were alleged or reasonably could have been alleged based upon the facts stated in the July 12, 2023 Complaint, the August 14, 2023 First Amended Complaint, and/or the December 1, 2023 Second Amended Complaint. The Class Released claims do not include any claims for workers’ compensation, unemployment, or disability benefits, any claims unrelated to the issuance of itemized wage statements, or any other claims other than those specified herein. (the “Class Released Claims”).

The PAGA Released Claims are defined as any claim for PAGA penalties under Labor Code section 2699 for violations of Labor Code section 226 during the PAGA Covered Period (June 8, 2022 and October 15, 2023) that were alleged or reasonably could have been alleged based upon the facts stated in the June 8, 2023 PAGA Notice, the September 29, 2023 Amended PAGA Notice, and the May 3, 2024 Amended PAGA Notice. (the “PAGA Released Claims”). Under the terms of this Settlement, every Class Member is a PAGA Aggrieved Employee whether or not they want to participate in the Settlement and will receive their pro rata portion of the employees \$5,000 share of PAGA penalties. PAGA

Aggrieved Employees cannot opt out of or object to the foregoing PAGA Release because PAGA claims are brought on behalf of and belong to the State of California. PAGA Aggrieved Employees who are Class Members can opt-out of all claims except for the PAGA claim that is brought on behalf of and belongs to the State of California.

8. What are PAGA Penalties?

PAGA Penalties: \$20,000.00 of the Gross Settlement Amount is allocated to alleged PAGA civil penalties (“PAGA Penalties”), subject to Court approval. Since this Action was initiated prior to July 1, 2024, by law, 75% of the PAGA Penalties (*i.e.*, \$15,000.00) will be paid to the California Labor & Workforce Development Agency and 25% of the PAGA Penalties (*i.e.*, \$5,000.00) will be distributed to the Class Members who worked during the PAGA period (June 8, 2022 to October 15, 2023) regardless of whether they seek to be excluded from the class settlement or not. Under PAGA, the State of California deputizes private attorney generals, such as Plaintiff, to prosecute employers for alleged violations of the Labor Code and all employees are entitled to share in the 25% of the penalties that would otherwise be recoverable by the State if it directly prosecuted Defendants for the alleged Labor Code violations.

9. What if I do not wish to be part of the proposed Settlement?

Anyone not wishing to participate in the proposed Settlement may exclude himself or herself (“opt out”) by completing, signing and mailing a Request for Exclusion letter by [INSERT RESPONSE DEADLINE] to the Settlement Administrator as follows.

<u>Settlement Administrator:</u> ILYM Group, Inc. [Mailing Address] [Mailing Address]
--

If your Request for Exclusion is postmarked after [INSERT RESPONSE DEADLINE], it will be rejected, and you will be a Participating Class Member and be bound by the Settlement terms.

To be valid, any Request for Exclusion should include: 1) the Settlement Class Member’s name and address for correspondence and identity verification purposes; 2) your signature; 3) should state words to the effect of, “I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN RODRIGUEZ VS. WORLD CLASS STAFFING SERVICES LLC” or otherwise express that the you do not wish to participate in the settlement; and, 4) be postmarked no later than [INSERT RESPONSE DEADLINE]. The Request for Exclusion should be mailed to the Settlement Administrator at the address specified above.

Anyone who submits a timely and valid Request for Exclusion shall not be deemed a Participating Class Member and will not receive any payment as part of this proposed Settlement. Such persons will keep any rights to sue Defendants separately about the claims made in this lawsuit.

10. What if I have an objection?

Any objection to the proposed Settlement may be submitted in writing and mailed to the Settlement Administrator (identified above) by [REDACTED]. To be valid, any written objection should: (1)

contain the objecting Class Member's name and current address for correspondence and identity verification purposes; (2) provide each specific reason in support of the objection; (3) be signed by the Class Member; and (4) be postmarked no later than [INSERT RESPONSE DEADLINE]. You do not need to include legal arguments for your written objections to be considered.

Class Members who do not submit a timely written objection may still appear at the final approval and fairness hearing and to speak about any potential objection at the hearing.

11. What if the number of pay periods listed for me in this Notice and Defendants' records are not accurate?

Defendants' records indicate that you worked [INSERT NUMBER OF PAY PERIODS WORKED DURING THE CLASS PERIOD PER DEFENDANTS' RECORDS] pay periods from June 8, 2022 to October 15, 2023 as a non-exempt, hourly employee. If you believe that the number of pay periods that Defendants' records indicate that you worked for them from June 8, 2022 to October 15, 2023 are inaccurate, you may file a pay period dispute with the Settlement Administrator and provide any supporting information by [INSERT RESPONSE DEADLINE].

12. Who represents the Class?

You do not need to hire your own lawyer, because Class Counsel is working on your behalf. The Court has appointed the following Plaintiffs' attorneys as Class Counsel:

WINSTON LAW GROUP, P.C.
David S. Winston
david@employmentlitigators.com
1880 Century Park East, Suite 511
Los Angeles, California 90067
Phone: (424) 288-4568
Fax: (424) 532-4062

You do not need to hire your own lawyer because Class Counsel is working on your behalf. However, if you want your own lawyer, including to make any objections to the proposed Settlement, you are free to hire one at your own expense.

13. How can I contact the Settlement Administrator or update my address?

You can contact the Settlement Administrator at:

ILYM Group, Inc.
[Mailing Address]
[Telephone]
[Fax Number]
[Email Address]

If you've moved and need to update your address, please contact the Settlement Administrator by calling [INSERT PHONE NUMBER].

14. What happens next in the case?

The proposed Settlement has only been preliminarily approved. The Court will hold a hearing in Department S26 of the San Bernardino Justice Center located at 247 West Third Street, San Bernardino, CA 92415 on [REDACTED], 2026, at XX Pacific Time, to consider any objections and determine whether the Settlement should be finally approved as fair, reasonable, and adequate.

The Court will also be asked to approve the settlement of the PAGA claim, Class Counsel's request for attorneys' fees and expense reimbursement, the costs of settlement administration, and the proposed service award. The hearing may be continued without further notice to you. You are **not** required to attend the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

15. How can I receive more information?

This Notice is a summary of the basic terms of the proposed Settlement. For the precise terms and conditions of the proposed Settlement, you may review the detailed "Joint Stipulation of Class Action and PAGA Settlement" on file with the Clerk of the Court as well as the pleadings and other records in this litigation by examining the documents in the Court's file at the Clerk's Office located at San Bernardino Justice Center, 247 West Third Street, San Bernardino, CA 92415 or visiting the Court's Access Portal Available at <https://cap.sb-court.org/> and entering the Case No. CIVSB2315859. You may also ask Class Counsel to send you a copy of the Joint Stipulation of Class Action and PAGA Settlement.

You may also contact Class Counsel, Winston Law Group, P.C., using the information located in Section 12 of this Notice.

PLEASE DO NOT TELEPHONE THE COURT, THE OFFICE OF THE CLERK, OR DEFENDANTS FOR INFORMATION REGARDING THIS PROPOSED SETTLEMENT.

16. What If I Don't Cash My Check by the Check Void Date After the Settlement is Approved?

If the Settlement is Approved, you will have 180 days from the date of the mailing of the settlement awards to deposit or cash your settlement check. Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall direct such unclaimed funds to CASA of San Bernardino as a *cy pres* recipient in accordance with California Code of Civil Procedure Section 384. All unclaimed funds must be sent to a *cy pres* recipient under California Code of Civil Procedure Section 384.

Exhibit 7