

Suren N. Weerasuriya (278521)
suren@gwlawapc.com
Diana Gonzalez (282814)
diana@gwlawapc.com
GONZALEZ WEERASURIYA, APC
206 West 4th Street, Suite 340
Santa Ana, California 92701
P: (714)367-6944
F: (714)242-1597

Attorneys for Plaintiff,
Candise Hill

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN BERNARDINO

CANDISE HILL, an individual,
Plaintiff,

vs.

PACIFIC DERMATOLOGY INSTITUTE, INC.;
and DOES 1 through 20, inclusive,
Defendants.

Case No. CIVSB2312940

*Assigned to Honorable Joseph T. Ortiz
Dept. S-17*

**DECLARATION OF SUREN N.
WEERASURIYA IN SUPPORT OF MOTION
FOR ORDER APPROVING PAGA
SETTLEMENT AND AWARDED
ATTORNEY'S FEES AND COSTS**

Complaint Filed: June 05, 2023
Trial Date: None

**Date: April 05, 2024
Time: 1:30 p.m.
Dept: S-17**

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

I, Suren N. Weerasuriya, declare and state as follows:

1. I am an attorney licensed to practice law in the State of California, all districts courts for the United States District Court of California, and the Ninth Circuit Court of Appeals.

2. The statements in this Declaration are based on my personal knowledge. If called upon, I am competent to testify in a court of law to its contents and can and will do so.

3. I am the head of litigation Gonzalez Weerasuriya, APC, the counsel of record for Plaintiff Candise Hill in this case. I submit this Declaration in support of Ms. Hill’s Motion for Order Approving PAGA Settlement and Awarding Attorney’s Fees and Costs (the “Motion”).

Procedural History

4. Plaintiff filed the Complaint on June 05, 2023. On the same day, June 05, 2023, my office submitted to the LWDA a written Notice of Violations. Attached to this Declaration as “Exhibit A” is a true and correct copy of the Notice.

5. On August 30, 2023, Plaintiff filed her First Amended Complaint alleging representative claims under PAGA. Attached to this Declaration as “Exhibit B” is a true and correct copy of the First Amended Complaint. Within ten (10) days, my firm submitted a conformed copy of the First Amended Complaint, with the case number, to the LWDA.

6. On September 05, the Parties filed a stipulation seeking an order dismissing Plaintiff's class and individual claims without prejudice and the Court subsequently the Court issued an order granting the relief.

7. On September 08, 2023, the Parties agreed to mediate Plaintiff's representative PAGA claims. On October 05, 2023, they agreed to set mediation with Steve Pearl.

8. On October 18, 2023, the Parties submitted a stipulation continuing the Initial CMC. The Court continued the CMC to January 23, 2024.

///

///

///

9. The Parties attended a full-day mediation with Steve Pearl on January 18, 2024. They accepted Mr. Pearl’s mediator’s proposal on January 22, 2024, to settle the case on a representative basis (the “Settlement”).

10. On January 23, 2024, the Parties appeared at the CMC and informed the Court of the settlement. The Court set a March 14, 2024, hearing date for approval of the Settlement.

11. On March 08, 2024, the Parties executed the Long Form Settlement Agreement (the “Agreement”) memorializing the Settlement. Attached to this Declaration as “Exhibit C” is a true and correct copy of the Agreement. On March 11, 2024, Plaintiff submitted the Agreement and this Motion to the LWDA.

The Exposure Analysis and Discounts

12. Plaintiff initially valued the PAGA claims at approximately \$2,925,000.00. Plaintiff had to discount the valuation for several reasons, as explained below. Also, as a threshold matter, Plaintiff's exposure analysis relied on the initial penalty violation amount for all pay periods because the subsequent penalty rate of \$200 does not apply until the employer has been notified of a violation; and there has not been sufficient notice until they have been notified by the Labor Commissioner of such violations, or until a court has determined that the employer violated the Labor Code. *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1209; *Gunther v. Alaska Airlines, Inc.*, 72 Cal. App 5th 334, 356 (2021). But neither has happened in this case.

13. ***The Unpaid Minimum Wage and Overtime Wages Claims.*** These claims were based on the allegation that for a portion of the PAGA period, PDI did not pay for driving time. However, upon further investigation by me, and based on information exchanged during mediation, I was able to determine that the claims for unpaid minimum wage and overtime wages presented no exposure for PDI. This was because, before the statutory PAGA period (June 05, 2022, to January 22, 2024), PDI changed its policies and procedures to ensure that employees were paid for driving time; and because further investigation into the timekeeping records and relating wage statements confirmed that Defendant paid for driving time.

111

14. The Meal Period and Rest Break Claims. Based on the data provided for mediation, PDI had a 2% meal period violation rate. Additionally, PDI maintained a compliant written meal period policy for the entire PAGA period. Thus, this claim was heavily discounted. Based on Plaintiff's experience working for PDI, Plaintiff initially assumed a 100% violation rate for rest break claims, and relatedly, wage statement violations, and violations of Labor Code sections 201 to 204 (for untimely payment of wages during employment). However, the rest break claim was discounted because **(1)** PDI had a compliant written policy for the PAGA period; **(2)** proving that inadequate staffing resulted in no reasonable opportunity to take rest breaks, in a manageable fashion at trial, would have been difficult because the Aggrieved Employees worked at 15 different locations with different staffing needs and customer demands; **(3)** PDI maintained that it complied with its rest break policies and ensured that the Aggrieved Employees took compliant rest breaks; **(4)** courts have generally not certified rest break claims, or found them to be manageable, where the underlying theory is a non-compliant staffing practice; and **(5)** the Court has the discretion to reduce the civil penalties extensively, which presents uncertainty in moving this claim forward.

15. ***The Derivative Wage Statement and Labor Code Section 203 and 204 Claims.*** For the wage statement claim, I initially calculated exposure based on a \$250 initial violation rate. However, because Defendant made a legitimate argument that only the \$100 initial PAGA violation rate applies—unless the employer has entirely failed to provide a wage statement, which was not the case here—Plaintiff discounted the claim based on the default \$100 rate. Additionally, because there is a legitimate argument to be made that there is no claim for violations of Labor Code section 204, purely based on the underpayment of wages, Plaintiff heavily discounted this claim as well. *Carter v. Jai-Put Enter.*, 2020 WL 3545094, at *10 (N.D. Cal. June 30, 2020). Further, the value of the 203 claim was minimal because there were only 56 former employees. This claim’s maximum value was \$5,600.00.

The Terms of Settlement

16. The Aggrieved Employees covered by the Settlement and Agreement are all non-exempt employees who worked for PDI from June 05, 2022, to January 22, 2024 (the “PAGA Period”). (Exhibit C, p. 2.) There are 192 Aggrieved Employees in the PAGA Period.

1 17. The claims released by the Agreement are “the PAGA claims that could have been sought
2 by the State of California Labor Commissioner for the violations identified in Plaintiff’s pre-filing notice
3 letter filed with the LWDA,” i.e., claims for violations of Labor Code sections 201-203, 204, 210, 212,
4 225.3, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 2800, and
5 2802. (*Id.*, ¶ 17.) No Labor Code section 2800 and 2802 claims were alleged in this lawsuit because after
6 sending out the LWDA Notice, I subsequently learned that PDI’s alleged violations of those Labor Code
7 sections would have happened outside the PAGA statutory period, and PDI’s policies and practices
8 regarding expense reimbursements were compliant during the PAGA Period. Plaintiff also released her
9 individual claims and agreed to a civil code section 1542 waiver, in exchange for a monetary payment,
10 under a separate written settlement agreement. The individual claims were based on the same facts
11 alleged in this PAGA case and claims for Disability Discrimination and Wrongful Termination in
12 Violation of Public Policy. Those claims have yet to be filed. Because of the payment for her individual
13 claims, Plaintiff will not seek an incentive award for the Settlement.

14 18. The GSA total is \$100,000.00. (Exhibit C, ¶5.) My firm will be entitled to seek up to 35%
15 of the GSA as attorney’s fees; up to \$15,000 in litigation costs; and up to \$7,500 for administration
16 expenses. (*Id.*)

17 19. If anticipated fees, costs, and expenses are awarded, the Net Settlement Amount that will
18 be distributed to the State of California and the Aggrieved Employees is estimated to be \$42,500.00. Of
19 this amount, \$10,625.00 would be paid to the 192 Aggrieved Employees, at a rate of \$1.73 per pay period
20 worked.

21 20. The amount of payment to each Aggrieved Employee will be based on his or her pro-rata
22 share of the 6,500 pay periods at issue in this case. (Exhibit C, ¶ 7.) Taxes will not be withheld from the
23 payments, but an IRS Form 1099 will be issued to each Aggrieved Employee. (Exhibit C, ¶ 9.)
24 Unclaimed funds will revert back to the GSA and be distributed to Aggrieved Employees who deposited
25 their settlement checks. (Exhibit C, ¶ 10 c.) The Aggrieved Employees will receive a notice of settlement
26 with a settlement check by regular mailing from administrator ILYM Group, Inc. (Exhibit C, ¶ 11 a. and
27 b.)
28

1 **Fairness, Adequacy, and Reasonableness of Settlement**

2 21. The Settlement was reached after arm's-length negotiations at mediation with Steve
3 Pearl. It was reached after extensive investigation and review of PDI's business records, including
4 timekeeping records, wage statements, scheduling data, job descriptions, and interviews with multiple
5 former employees. Specifically, Defendant provided a 25% sampling of wage statements and
6 timekeeping records, the two applicable sets of policies and procedures, a breakdown of current
7 employees, and how they were currently allocated to Defendant's job locations. Further, I interviewed
8 seven (7) former employees of Defendant.

9 22. I received my law degree from Southwestern University School of Law in May of 2011,
10 and passed the California Bar Exam in December of 2011, since which point, I have been practicing as
11 a civil litigator in California Superior Court and the United States District Court of California. At my
12 first job, at a consumer rights firm, I represented hundreds of consumers and employees in individual
13 and class action cases alleging consumer rights claims, wage and hour claims, and employment claims.
14 I then worked for three law firms where I defended businesses and property owners in real estate,
15 contract, and wage and hour cases; on an individual and class action basis. I then rounded out my
16 experience by handling over 50 class action and PAGA cases at Aegis Law Firm, P.C., from April 2019
17 to December 2020, where I represented Plaintiffs only. I have handled over 100 class actions as lead
18 counsel, including the following wage and hour class actions and PAGA cases, some of which have been
19 certified for settlement purposes [notated with (*)] as part of preliminary and final settlement approval:
20

21 a. **Los Angeles County Superior Court:** (*) *Vazquez v. Douglas Elliman, LLC*,
22 Case No. 19STCV15442; *Elarabi v. McKenna Motor Torrance, Inc.*, Case No. 19STCV10238; *Hensley*
23 *v. Medely, Inc.*, Case No. 19STCV02463; *Rodriguez v. PCAM LLC*, Case No. 19STCV02463; *Vazquez*
24 *v. Macy's West Stores, Inc.* 20CV367943; *Sanchez v. Bloom Energy Coporation*, Case No. 20CV365816;
25 (*) *Valle v. Anthony*, Case No. 19STCV14662; (*) *Medina v. Katzkin*, Case No. BC680102; *Brandt v.*
26 *TCI Transportation Services*, Case No. 19STCV14404; *Farran v DoorDash, Inc.*, Case No.
27 19STCV13945; and (*) *Farias v. Shasta Beverages, Inc.*, Case No. 19STCV38350.

28 ///

1 b. **Orange County Superior Court:** *Batres v Impac Mortgage Corp.*, Case No. 30-
2 2018-01040678-CUOE-CXC; *Fiscus v Floyd's 99*, Case No. 30-2016-00882967-CU-OE-CXC; *Vitar v.*
3 *Car Guardian*, Case No. 30-2019-01068397-CU-OE-CXC; (*) *De Marco v. Gerinet Healthcare*, Case
4 No. 30-2018-00986395-CU-OE-CXC; (*) *Castrejon v. CCS Orange County Janitorial, Inc.*, Case No.
5 30-2017-00920076-CU-OE-CXC; (*) *Vargas v. Renewal by Andersen, LLC/Los Angeles Custom*
6 *Windows*, Case No. 30-2019-01082294-CU-OE-CXC; (*) *Markell v. American Advisors Group*, Case
7 No. 30-2019-01058063-CU-OE-CXC; (*) *Ramirez v. HIT Mobile Inc.*, Case No. 30-2019-01064397-
8 CU-OE-CXC; *Ramirez v. Ben's Asphalt, Inc.*, Case No. 30-2020-01131925-CU-OE-CXC; and *Cade v.*
9 *Regis Corporation*, Case No. 30-2019-01066193-CU-OE-CXC.

10 c. **Riverside County Superior Court:** (*) *Matthews v. Harbor Freight Tools USA,*
11 *Inc.*, Case No. RIC 1906238; (*) *Norwood v Child Help*, Case No. RIC1717334; (*) *Quiroga v. FF*
12 *Properties II LP*, Case No. RIC2002563.

13 d. **San Bernardino Superior Court:** (*) *Thompson v. QVC, Inc.*, Case No.
14 CIVDS1918925; (*) *Johnson v. Absolute Security International, Inc.*, Case No. CIVDS1909589; and
15 *Valentine v. Deploy HR, Inc.*, Case No. CIVDS1922853. My time was b

16 e. **San Diego Superior Court:** (*) *Valdez v Fairway Independent Mortgage*
17 *Corporation*, Case No. 37-2018-00053677-CU-OE-CTL;

18 f. **Federal Court:** (*) *Tamimi v. SGS Automotive Services*, Case No. 8:19-cv-
19 00965-AG-KS; *Amezquita v Target Corporation*, Case No. 5:18-cv-01109-JVS-SP; *Torres v. Secure*
20 *Communication Systems, Inc*, Case No. 8:20-cv-00980-JVS-JDE; and *Hall v. Western Refining Retail,*
21 *LLC*, Case No. 5:19-cv-00855 VAP(SKx).

22 23. The GSA was proper given the strengths and weaknesses of Plaintiff's case. Again, while
23 the claims were initially valued at \$2,925.00 (maximum exposure), the realistic exposure was closer to
24 \$300,000.00, given the issues explained in Section III(B) of the Motion.

25 24. The risk, expense, and complexity of further litigation all weigh in favor of settlement.
26 That is because the nature of the claims, the potential length and expense of the case, and procedural
27 hurdles (dealing with motion practice, manageability issues at trial, and potential appeals), presented
28

significant risk and expenses; and naturally rendered the case significantly complex.

25. The recovery of \$100,000.00 is approximately 33% of Plaintiff's calculation of realistic recovery, which, given the uncertainty and risk involved in the case, is reasonable.

The Attorney's Fees and Costs

26. Here, Plaintiff seeks \$35,000.00, in attorney's fees; \$10,962.00, in litigation costs, including mediation fees; and \$7,500.00 in administration expenses. Although only \$35,000.00 was sought for fees, Plaintiff incurred \$48,620.00 in fees. At my hourly rate of \$650.00, I performed 74.80 hours of work. Notably, for the cases cited in subparagraphs (a) to (f) of this Declaration, my time was billed at \$550 per hour; and the courts approved my time at such a rate. My rate is more now because I have four more years of experience than I did when I performed work at \$550 per hour. In those cases, I was the handling attorney, but in this case, I was and am the handling attorney and the partner on the case. At mediation in this case, I had a more active and involved role and was solely responsible for crafting the strategy for this case, generally and at mediation.

27. The fees were necessary because they were all required steps for moving this case forward, e.g., preparing and filing the LWDA Notice, preparing and filing the Complaint, reviewing mediation data, conducting an exposure analysis, speaking with witnesses, investigating PDI, attending mediation, and preparing and finalizing the settlement documents and this Motion.

28. The fees were reasonable because (1) I am a highly experienced litigator, who performed all legal work myself, without any duplicity or overlap in work; (2) my hourly rate of \$650 is fair and reflective of my experience, skills, and knowledge; and (3) this was a complex case impacting 192 individuals, with seven-figure potential exposure. My rate of \$650.00 is comparable to rates charged by plaintiffs' and defendants' attorneys in wage and hour and other class and representative actions. The time could have been spent on other cases with potential high value. My firm dedicated substantial resources and time to this case. Notably, the risks to my firm were significant because I took this case on a contingency basis, with no guarantee of compensation.

///

///

29. Attached to this Declaration as “Exhibit D” is a compilation of true and correct copies of the attorney’s fees and costs entries for this case. All entries were made contemporaneously with the work performed/costs incurred in this case. The records were maintained in the ordinary course of business.

30. The litigation costs were reasonable and necessary because they were all required expenses in this case. They consisted of (a) the \$75.00 filing fee for the LWDA Notice; (b) the \$1,525.00 in filing fees (Complaint filing fees, complex fees, and the One Legal fee); (c) the \$70.00 filing fee for the certificate of assignment; (d) \$270.00 in filing fees for the Proof of Service of Complaint, and for filing the CMC Statement and First Amended Complaint; and (e) \$9,012.50 in mediation fees.

31. The administration expenses were reasonable and necessary (a) third-party administration is the most efficient way to ensure the Aggrieved Employees receive the notice of settlement and funds; and (b) based on Plaintiff's Counsel's experience, the administrator, ILYM Group, Inc., provides competitive and reasonable pricing for administration.

I declare under the penalty of perjury of the laws of the State of California that the statements in this Declaration are true and correct.

Signed on March 08, 2024, in Santa Ana, California, by .

Suren N. Weerasuriya

EXHIBIT A

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28



Suren N. Weerasuriya, Esq.

206 W. 4th Street, Suite 340, Santa Ana, California 92701

Phone (714)406-2048 | suren@gwlawapc.com

June 05, 2023

Submitted Online

California Labor and Workforce Development Agency
Attention: PAGA Administrator

Sent via Certified Mail w/ Return Receipt Requested

Pacific Dermatology Institute, Inc.
c/o Bradley Mudge
240 Newport Center Drive, # 105
Newport Beach, California 92660

Re: *Candise Hill v. Pacific Dermatology Institute, Inc.*

Dear Sir(s) and/or Madam(s):

My firm represents Candise Hill (“Claimant”) regarding Labor Code claims against her current employer Pacific Dermatology Institute, Inc. (“Respondent”)

Please take notice under Labor Code section 2699.3(a)(1) of Respondent’s Labor Code violations. Below are the facts and legal theories establishing the violations.

Also, please take notice that based on the violations and claims described in this correspondence, Complainant will seek penalties against Respondent under the Private Attorneys General Act (Labor Code section 2699, et seq.) for herself and all other aggrieved employees (collectively, the “Aggrieved Employees”).

Respondent violated Labor Code sections 201-203, 204, 210, 212, 225.3, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, and 1197.1

The Aggrieved Employees work for Respondents as assistants, including medical assistants, physician's assistants, and technicians—all in non-exempt positions where they spent more than 50% of their workdays and shifts performing non-exempt duties.

In violation of Labor Code sections 226.7 and 510, Respondent has a practice in place under which it failed to provide meal periods and failed to permit and authorize rest breaks, or pay premiums. Indeed, Respondent, while purporting to provide the Aggrieved Employees with meal periods and rest breaks, implemented and enforced a scheduling practice that left the Aggrieved Employees with insufficient time in a day to take meal periods and rest breaks, while still competently performing their assigned work and duties. Concurrent with this practice, Respondent had a policy and practice that threatened the Aggrieved Employees with disciplinary action for failure to perform their duties.

Consequently, when the Aggrieved Employees lacked the staff support and/or time to perform and complete their duties (as expected by Respondent) while taking compliant meal periods and rest breaks—which was a regular occurrence—they had no choice but to miss rest breaks and meal periods or to take non-compliant meal periods and rest breaks, e.g., on-premises breaks and meal periods, interrupted breaks and meal periods, short breaks and meal periods, or late meal periods.

Through the above policies, procedures, and practices, Respondents failed to provide duty-free meal periods and rest breaks; failed to relinquish control over the Aggrieved Employees during meal periods and rest breaks; failed to provide the Aggrieved Employees with a reasonable opportunity to take uninterrupted 30-minute meal periods and uninterrupted rest breaks; and impeded and discouraged rest breaks.

Moreover, Respondent regularly failed to pay premiums to the Aggrieved Employees for these meal period and rest break violations.

Further, Respondent violated Labor Code sections 226 and 226.3 by failing to provide the Aggrieved Employees accurate wage statements by regularly issuing them wage statements inaccurately stating the “wages earned” by the Aggrieved Employees. The wage statements were inaccurate because they omitted the premiums owed to the Aggrieved Employees for meal period and rest break violations.

Also, Respondent violated Labor Code sections 225.5, 223, 510, 118.12, 1194, 1194.2, 1197, and 1197.1, by failing to pay the Aggrieved Employees the minimum wage for all hours worked; and overtime wages for overtime hours worked. Respondent regularly required the Aggrieved Employees to travel from one office location to another, under Respondent's direction and control. However, Respondent did not pay the Aggrieved Employees for this travel time.

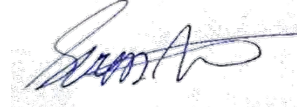
Respondents also violated Labor Code sections 2800 and 2802 by failing to reimburse the Aggrieved Employees for mileage. Respondent required the Aggrieved Employees to travel between office locations but did not reimburse them for mileage.

Respondent also failed to timely pay Aggrieved Employees all wages due to them throughout their employment and following the end of these workers' employment with the Respondent, thus violating Labor Code sections 201-203, 204, and 210. Namely, Respondent failed to pay meal and rest break premiums owed to the Aggrieved Employees during their employment and once their employment with Respondents ended. Additionally, Respondent did not pay the Aggrieved Employees for drive time, when these Employees drove from one location to another, under Respondent's direction and control.

If the Respondent's Labor Code violations are not remedied, in strict compliance with the Labor Code and PAGA, Claimant will bring an action seeking civil penalties, attorney's fees, and costs, for the State of California and all Aggrieved Employees.

If you have any questions, please contact me.

Regards,

A handwritten signature in blue ink, appearing to read 'Suren N. Weerasuriya', is positioned above the printed name.

Suren N. Weerasuriya

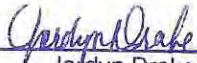
EXHIBIT B

1 Suren N. Weerasuriya (278521)
2 suren@gwlawapc.com
3 Diana Gonzalez (282814)
4 diana@gwlawapc.com
5 **GONZALEZ WEERASURIYA, APC**
6 206 West 4th Street, Suite 340
7 Santa Ana, California 92701
8 P: (714)367-6944
9 F: (714)242-1597

10 Attorneys for Plaintiff,
11 Candise Hill

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN BERNARDINO

AUG 31 2023

BY: 
Jordyn Drake, Deputy

12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN BERNARDINO

CANDISE HILL, an individual,
Plaintiff,

vs.

PACIFIC DERMATOLOGY INSTITUTE, INC.;
and DOES 1 through 20, inclusive,
Defendants.

Case No. CIVSB2312940

*Assigned to Honorable Joseph T. Ortiz
Dept. S-17*

FIRST AMENDED COMPLAINT

Complaint Filed: June 05, 2023
Trial Date: None

FAXED

1 Plaintiff Candise Hill alleges as follows:

2 **INTRODUCTION**

3 1. Plaintiff brings this representative action under Labor Code Section 2698, et seq., the
4 Private Attorneys General Act (“PAGA”), against Defendants Pacific Dermatology Institute, Inc. and
5 DOES 1 through 20, inclusive (“Defendants”) for civil penalties, attorney’s fees, and costs, due to
6 Defendants’ violations of the Labor Code, on behalf of all non-exempt employees of Defendant (the
7 “Aggrieved Employees”).

8 2. Defendants jointly controlled and governed the Aggrieved Employees’ employment
9 terms and conditions, including their wages, hours, and general working conditions, via the same
10 policies, procedures, and practices (the “Policies, Procedures, and Practices”).

11 3. Through the Policies, Procedures, and Practices, Defendants systematically violated the
12 Aggrieved Employees’ rights under the Labor Code.

13 **THE PARTIES**

14 4. Defendants are California corporations doing business in California, including San
15 Bernardino County.

16 5. Plaintiff is unaware of the real names or capacities of the defendants that they have sued
17 under the fictitious names DOES 1 through 20. However, she will seek this Court’s leave to amend this
18 Complaint and serve such fictitiously named Defendants once their names and capacities become known.

19 6. Plaintiff is informed and believes that DOES 1 through 20 are or were the partners, agents,
20 owners, shareholders, managers, or employees of Defendants at all relevant times.

21 7. Plaintiff is informed and believes that every Defendant acted as the other Defendant’s
22 agent or joint employer and conducted a joint scheme, business plan, or policy accordingly. Thus, the
23 acts of each Defendant are legally attributable to the other defendant.

24 8. Defendants also acted within the scope of such agency or employment or ratified every
25 act or omission alleged by Plaintiff. Defendants also aided and abetted each and all the other Defendants’
26 acts and omissions in proximately causing the violations that the Aggrieved Employees suffered.

27
28 ///

9. Plaintiff is informed and believes that each Defendant is intentionally, negligently, or otherwise responsible for the acts, omissions, occurrences, and transactions alleged in this Complaint.

VENUE

10. The Superior Court of California, County of San Bernardino, is the proper venue for this action because the acts giving rise to the class claims occurred substantially in San Bernardino County; with four of Defendants' fifteen locations conducting business in this County.

11. The Superior Court of California, County of San Bernardino has personal jurisdiction over Defendants because they personally availed themselves of the laws of the State of California and had minimum contact with California such that the exercise of personal jurisdiction over them would be consistent with the traditional notions of fair play and substantial justice.

BACKGROUND FACTS

12. The Aggrieved Employees work for Defendants as assistants, including medical assistants, physician’s assistants, and technicians—all in non-exempt positions where they spent more than 50% of their workdays and shifts performing non-exempt duties.

13. Defendants have a practice in place under which they failed to provide meal periods and failed to permit and authorize rest breaks, or pay premiums. Defendants, while purporting to provide the Aggrieved Employees with meal periods and rest breaks, implemented and enforced a scheduling practice that left the Aggrieved Employees with insufficient time in a day to take meal periods and rest breaks, while still competently performing their assigned work and duties. Concurrent with this practice, Defendants had a policy and practice that threatened the Aggrieved Employees with disciplinary action for failure to perform their duties.

14. Consequently, when the Aggrieved Employees lacked the staff support and/or time to perform and complete their duties (as expected by Defendants) while taking compliant meal periods and rest breaks—which was a regular occurrence—they had no choice but to miss rest breaks and meal periods or to take non-compliant meal periods and rest breaks, e.g., on-premises breaks and meal periods, interrupted breaks and meal periods, short breaks and meal periods, or late meal periods.

///

1 **15.** Through the above policies, procedures, and practices, Defendants failed to provide duty-
2 free meal periods and rest breaks; failed to relinquish control over the Aggrieved Employees during meal
3 periods and rest breaks; failed to provide the Aggrieved Employees with a reasonable opportunity to
4 take uninterrupted 30-minute meal periods and uninterrupted rest breaks; and impeded and discouraged
5 rest breaks.

6 **16.** Moreover, Defendants regularly failed to pay premiums to the Aggrieved Employees for
7 these meal period violations and rest break violations.

8 **17.** Further, Defendants failed to provide the Aggrieved Employees with accurate wage
9 statements. Defendants regularly issued wage statements inaccurately stating the “wages earned” by the
10 Aggrieved Employees. The wage statements were inaccurate because they omitted the premiums owed
11 to the Aggrieved Employees for meal period violations and rest break violations. They also were
12 inaccurate because they omitted the travel time worked by the Aggrieved Employees when they traveled
13 between office locations.

14 **18.** Defendants failed to pay the Aggrieved Employees the minimum wage for all hours
15 worked, and overtime wages for overtime hours worked. Defendants regularly required the Aggrieved
16 Employees to travel from one office location to another, under Defendants’ direction and control.
17 However, Defendants did not pay the Aggrieved Employees for this travel time.

18 **19.** Defendants also failed to timely pay Aggrieved Employees all wages due to them
19 throughout their employment and following the end of these workers’ employment with the Defendants,
20 thus violating Labor Code sections 201-203, 204, and 210. Namely, Defendants failed to pay meal and
21 rest break premiums owed to the Aggrieved Employees during their employment and once their
22 employment with Defendants ended. Additionally, Defendants did not pay the Aggrieved Employees for
23 travel time, when these Aggrieved Employees drove from one location to another, under Defendants’
24 direction and control.

25 **20.** Under PAGA, any provision of the Labor Code that provides for a civil penalty to be
26 assessed and collected by the LWDA or any of its departments, divisions, commissions, boards,
27 agencies, or employees for violation of the code may, as an alternative, be recovered through a civil
28

1 action brought by an aggrieved employee on behalf of himself and other current or former employees
2 under the procedures specified in Labor Code section 2699.3. For all provisions of the Labor Code except
3 those for which a civil penalty is specifically provided, Labor Code section 2699(f) imposes upon
4 Defendants a penalty of one hundred dollars (\$100.00) for each aggrieved employee per pay period for
5 the initial violation and two hundred dollars (\$200.00) for each aggrieved employee per pay period for
6 each subsequent pay period in which Defendants violated these provisions of the Labor Code.

7 21. Defendants systematically engaged in unlawful conduct in violation of the California
8 Labor Code and IWC Wage Orders, such as failing to pay minimum wages and overtime wages, failing
9 to provide meal periods and rest breaks or compensation in lieu thereof, failing to furnish accurate wage
10 statements, and failing to timely pay all wages due and owing upon separation of employment—to
11 increase their profits.

12 22. Plaintiff is an “aggrieved employee” because Defendants employed her and because
13 Plaintiff suffered multiple violations of the Labor Code while working for Defendants.

14 23. Further, Plaintiff timely exhausted the procedural requirements of PAGA (under section
15 2699.3) and thus, has standing to bring PAGA claims against Defendants for penalties on behalf of the
16 LWDA and the Aggrieved Employees.

17 24. Under Labor Code sections 2699(a), 2699.3, and 2699.5, the Aggrieved Employees can
18 recover penalties against Defendants for violations of the Labor Code sections cited above.

19 25. Defendants’ conduct has been and continues to be unfair, unlawful, and harmful to the
20 Aggrieved Employees and the general public. Plaintiff, therefore, seeks to enforce important rights
21 affecting the public interest within the meaning of section 1021.5 of the Code of Civil Procedure.
22

23 **CAUSES OF ACTION**

24 **First Cause of Action: Enforcement of Private Attorneys General Act**

25 **for Failure to Pay the Minimum Wage**

26 **(Against all Defendants)**

27 26. Plaintiff incorporates by reference and re-alleges the preceding allegations as if she stated
28 the allegations within this cause of action.

1 27. Under Labor Code sections 1194 and 1197, the minimum wage for employees fixed by
2 the IWC is the minimum wage to be paid to employees, and the payment of a lesser wage than the
3 minimum is unlawful. Labor Code section 1182.12 provides the minimum wages for all industries. A
4 failure to pay wages for any work is a failure to pay the minimum wage for all hours worked.

5 28. Defendants paid the Aggrieved Employees less than the minimum wage when they failed
6 to pay for travel time between office locations.

7 29. Thus, during the relevant time, Defendants regularly failed to pay at least minimum wage
8 to the Aggrieved Employees for all hours worked under Labor Code sections 1194, 1197, and 1182.12.

9 30. Defendants' failure to pay the Aggrieved Employees the required minimum wage violates
10 Labor Code sections 1194, 1194.2, 1197, and 1182.12 of the Labor Code and section four of the
11 applicable Wage Order.

12 31. Thus, the Aggrieved Employees are entitled to recover civil penalties, attorney's fees,
13 and costs.

14 **Second Cause of Action: Enforcement of Private Attorneys General Act**
15 **for Failure to Pay Overtime Wages**
16 **(Against all Defendants)**

17 32. Plaintiff incorporates by reference and re-alleges the preceding allegations as if she stated
18 the allegations within this cause of action.

19 33. Under Labor Code section 1198 and the applicable IWC Wage Order, it is unlawful to
20 employ persons without compensating them at a rate of pay either one and one-half (1½) or two (2) times
21 the person's regular rate of pay, depending on the number of hours worked by the person on a daily or
22 weekly basis.

23 34. Further, the applicable IWC Wage Orders required Defendants to pay overtime
24 compensation to the Aggrieved Employees at the rate of one and one-half times (1½) their regular rate
25 of pay for all hours worked more than eight (8) hours in a day or more than forty (40) hours in a
26 workweek and for the first eight (8) hours of work on the seventh day of work in a workweek.

27
28 ///

1 **35.** The applicable IWC Wage Orders also required Defendants to pay overtime
2 compensation to the Aggrieved Employees at a rate of two times their regular rate of pay when working
3 and for all hours worked more than twelve (12) hours in a day or excess of eight (8) hours on the seventh
4 day of work in a workweek.

5 **36.** Further, Labor Code section 510 codifies the right to overtime compensation at one and
6 one-half (1½) times the regular hourly rate for hours worked more than eight (8) hours in a day or forty
7 (40) hours in a week and for the first eight (8) hours worked on the seventh consecutive day of work,
8 and overtime compensation at twice the regular hourly rate for hours worked more than twelve (12)
9 hours in a day or excess of eight (8) hours in a day on the seventh day of work in a workweek.

10 **37.** The Aggrieved Employees were non-exempt employees entitled to overtime wages
11 specified and required by sections 510 and 1194 of the Labor Code.

12 **38.** During the relevant time, Defendants required the Aggrieved Employees to work more
13 than eight (8) hours in a day and forty (40) hours in a week, entitling them to overtime wages. They also
14 regularly worked more than twelve (12) hours in a day, thus entitling them to double-time wages.

15 **39.** However, Defendants did not pay the Aggrieved Employees overtime and double-time
16 wages as the law required. Defendants failed to pay the Aggrieved Employees for travel time between
17 office locations.

18 **40.** Thus, Defendants knowingly and willfully refused to perform their obligations and
19 compensate the Aggrieved Employees for all overtime wages earned for all overtime hours worked.

20 **41.** Defendants' failure to pay the Aggrieved Employees the unpaid balance of overtime
21 compensation, as required by California law, violates Labor Code sections 510, 1194, and 1198 and is
22 unlawful.

23 **42.** Thus, the Aggrieved Employees are entitled to recover civil penalties, attorney's fees,
24 and costs.

25
26 ///

27 ///

28 ///

Third Cause of Action: Enforcement of Private Attorneys General Act
for Failure to Provide Meal Periods
(Against all Defendants)

43. Plaintiff incorporates by reference and re-alleges the preceding allegations as if she stated the allegations within this cause of action.

44. Under Labor Code section 226.7, no employer shall require an employee to work during any meal period mandated by the IWC Wage Orders. Further, under Section 11 of the applicable IWC Wage Order, “[n]o employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will complete the day’s work the meal period may be waived by mutual consent of the employer and the employee.”

45. Also, under Labor Code section 512(a), an employer may not require, cause, or permit an employee to work for more than five (5) hours per day without providing the employee with an uninterrupted meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is not more than six (6) hours, the meal period may be waived by mutual consent of both the employer and the employee. And, under Labor Code section 512(a), an employer may not employ an employee for a work period of more than ten (10) hours per day without providing the employee with a second meal period of not less than thirty (30) minutes, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

46. Via the Policies, Procedures, and Practices, Defendants failed to relieve the Aggrieved Employees of all duties during meal periods, failed to permit them a reasonable opportunity to take meal periods, failed to relinquish control over them during meal periods, and discouraged them from taking meal periods.

///

///

///

1 47. In such circumstances, Labor Code section 226.7(b) and section 11 of the applicable IWC
2 Wage Order require an employer to pay an employee one (1) additional hour of pay at the employee's
3 regular rate of compensation for each workday that the employer fails to provide a compliant meal
4 period.

5 48. However, Defendants failed to pay the Aggrieved Employees meal period premiums for
6 missed, late, and short meal periods under Labor Code section 226.7(b) and section 11 of the applicable
7 IWC Wage Order.

8 49. Thus, the Aggrieved Employees are entitled to recover civil penalties, attorney's fees,
9 and costs.

10 **Fourth Cause of Action: Enforcement of Private Attorneys General Act**
11 **for Failure to Permit or Authorize Rest Breaks**

12 **(Against all Defendants)**

13 50. Plaintiff incorporates by reference and re-alleges the preceding allegations as if she stated
14 the allegations within this cause of action.

15 51. Under Labor Code section 226.7(a), no employer shall require an employee to work
16 during any rest period mandated by the IWC Wage Orders.

17 52. Section 12 of the applicable IWC Wage Order states "[e]very employer shall authorize
18 and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each
19 work period[,]" and the "[a]uthorized rest period time shall be based on the total hours worked daily at
20 the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof[,]" unless the total
21 daily work time is less than three and one-half (3½) hours.

22 53. However, Defendants did not permit or authorize the Aggrieved Employees to take a ten
23 (10) minute rest period for every four (4) hours, or a major fraction thereof worked because, via the
24 Policies, Procedures, and Practices, Defendants: (a) failed to relieve the Aggrieved Employees of all
25 duties for rest breaks; (b) failed to relinquish control over the Aggrieved Employees and their activities
26 to allow for rest breaks; (c) failed to permit the Aggrieved Employees a reasonable opportunity to take
27 uninterrupted breaks; and (d) discouraged the Aggrieved Employees from taking rest breaks.
28

1 54. Labor Code section 226.7(b) and section 12 of the applicable IWC Wage Order require
2 an employer to pay an employee one (1) additional hour of pay at the employee's regular rate of
3 compensation for each workday the employer fails to permit a compliant rest period.

4 55. However, Defendants failed to pay the Aggrieved Employees rest break premiums for
5 missed, late, and interrupted rest breaks under Labor Code section 226.7(b) and section 12 of the
6 applicable IWC Wage Order.

7 56. Thus, the Aggrieved Employees are entitled to recover civil penalties, attorney's fees,
8 and costs.

9 **Fifth Cause of Action: Enforcement of Private Attorneys General Act**
10 **for Failure to Issue Accurate Wage Statements**

11 **(Against all Defendants)**

12 57. Plaintiff incorporates by reference and re-alleges the preceding allegations as if she stated
13 the allegations within this cause of action.

14 58. Labor Code section 226(a) requires Defendants to provide each employee with an
15 accurate wage statement in writing showing nine pieces of information, including the following: (1)
16 gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned
17 and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided
18 that all deductions made on written orders of the employee may be aggregated and shown as one item,
19 (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name
20 of the employee and the last four digits of his or her social security number or an employee identification
21 number other than a social security number, (8) the name and address of the legal entity that is the
22 employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding
23 number of hours worked at each hourly rate by the employee.

24
25 ///

26 ///

27 ///

28 ///

1 **59.** However, Defendants knowingly and intentionally failed to comply with Labor Code
2 section 226(a) on the Aggrieved Employees' wage statements. For example, the wage statements
3 Defendants issued to the Aggrieved Employees inaccurately stated: (a) the gross and net wages that they
4 earned; and (b) the number of hours they worked. These wage statements also omitted owed meal and
5 rest premiums.

6 **60.** Because of Defendants' knowing and intentional failures to comply with Labor Code
7 section 226(a), The Aggrieved Employees have suffered injury and damage to their rights because, as
8 specified by Labor Code section 226(e), Defendants' violations of section 226(a) were intentional, e.g.,
9 they knowingly stated incorrect figures for hours worked, and gross and net wages, and knowingly
10 omitted premiums.

11 **61.** Defendants denied the Aggrieved Employees their legal right to receive, and their
12 protected interest in receiving, accurate itemized wage statements under Labor Code section 226(a).

13 **62.** Defendants prevented The Aggrieved Employees from determining if all hours worked
14 were paid at the appropriate rate. They were also prevented from determining the extent of the
15 underpayment.

16 **63.** But for Defendants' failures alleged here, The Aggrieved Employees would not have had
17 to engage in these efforts or incur costs. All of this could have been avoided if Defendants provided the
18 accurate hours worked, wages earned, and rates of pay.

19 **64.** Defendants' failures in this regard have also delayed the Aggrieved Employees' ability
20 to recover the unpaid wages from Defendants.

21 **65.** Defendants' violations of section 226(a) prevented the Aggrieved Employees from
22 knowing, understanding, and disputing the wages paid to them and resulted in an unjustified economic
23 enrichment to Defendants. Because of Defendants' knowing and intentional failure to comply with Labor
24 Code section 226(a), Aggrieved Employees have suffered injuries.

25 **66.** Thus, the Aggrieved Employees are entitled to recover civil penalties, attorney's fees,
26 and costs.

27
28 ///

Sixth Cause of Action: Enforcement of Private Attorneys General Act
for Failure to Pay All Wages Upon Separation of Employment
(Against all Defendants)

67. Plaintiff incorporates by reference and re-alleges the preceding allegations as if she stated the allegations within this cause of action.

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

69. Defendants willfully failed to pay Aggrieved Employees all earned wages upon the end of their employment with Defendants including, but not limited to, proper minimum wage and overtime compensation, meal period premiums, and rest period premiums either at the time of discharge or within seventy-two (72) hours of them ending their employment with Defendants.

70. Defendants' failure to pay The Aggrieved Employees all earned wages at the time of discharge or within seventy-two (72) hours of their leaving Defendants' employ violates Labor Code sections 201 and 202.

71. Under Labor Code section 203, if an employer willfully fails to pay wages owed immediately upon discharge or resignation per Labor Code sections 201 and 202, then the wages of the employee shall continue as a penalty from the due date at the same rate until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

72. Thus, the Aggrieved Employees are entitled to recover civil penalties, attorney's fees, and costs.

///

///

///

///

Seventh Cause of Action: Enforcement of Private Attorneys General Act
for Failure to Pay All Wages During Employment

(Against all Defendants)

73. Plaintiff incorporates by reference and re-alleges the preceding allegations as if she stated the allegations within this cause of action.

74. Under Labor Code section 204: “[a]ll wages, other than those mentioned in Section 201, 201.3, 202, 204.1, or 204.2, 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. 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.”

75. Defendants failed timely pay all earned wages to the Aggrieved Employees during their employment, thus violating Labor Code sections 204 and 210.

76. Specifically, during the Aggrieved Employees’ employment with Defendants, they were owed meal and rest break premiums, and overtime wages, as described above. However, Defendants failed to timely pay said wages.

77. Thus, the Aggrieved Employees are entitled to recover civil penalties, attorney’s fees, and costs.

PRAYER FOR RELIEF

Plaintiff prays for relief and judgment against Defendants, jointly and severally, as follows:

78. civil penalties;

79. attorney’s fees;

80. costs; and

81. other relief as the Court deems proper.

PRAYER FOR JURY TRIAL

82. Plaintiff prays for a trial by jury on all triable claims.

1 Dated August 30, 2023

2 **GONZALEZ WEERASURIYA, APC**

3 

4
5 Suren N. Weerasuriya
6 Attorneys for Plaintiff,
7 Candise Hill

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

On August 30, 2023, I served **FIRST AMENDED COMPLAINT** on the parties listed below by electronically serving the documents in full compliance with the California Rules of Court and sections 1010.6(a)(2)(A)(ii) and (e)(1) the Code of Civil Procedure, pursuant to a court order requiring e-service of all documents in this case.

Executed on August 30, 2023, at Irvine, California.

15

EXHIBIT C

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

PRIVATE ATTORNEYS GENERAL ACT
SETTLEMENT AGREEMENT AND RELEASE

This Private Attorneys General Act Settlement Agreement and Release (“Agreement” or “Settlement”) is made by and between Plaintiff CANDISE HILL (“Plaintiff”), individually, and on behalf of all other aggrieved employees (the “Aggrieved Employees” or “PAGA Group” as described below), and as a private attorney general on behalf of the State of California pursuant to Labor Code section 2699, *et seq.*, the California Private Attorneys General Act (“PAGA”) on the one hand, and Defendant PACIFIC DERMATOLOGY INSTITUTE, INC. (“Defendant”), on the other hand. Plaintiff and Defendant are collectively referred to herein as “the Parties.”

This Agreement, and the settlement embodied herein, shall be binding on Plaintiff, the Aggrieved Employees she represents, and Defendant, subject to the approval of the Court.

WHEREAS, on June 5, 2023, Plaintiff filed a class action complaint (“Complaint”) in the Superior Court of California, San Bernardino County entitled *Candise Hill v. Pacific Dermatology Institute*, Case No. CIVSB2312940 pending in San Bernardino County Superior Court (the “Complaint”). Whereas, also on June 5, 2023, Plaintiff filed a notice letter to the Labor and Workforce Development Agency (“LWDA”) alleging various wage and hour violations (the “Notice”). Shortly after filing the complaint, Defendant’s counsel provided Plaintiff’s counsel a copy of an arbitration agreement signed by Plaintiff. Plaintiff’s counsel determined that it would likely be enforced if Plaintiff opposed arbitrating this matter, and that the class action waiver would likely be found enforceable. On August 30, 2023, Plaintiff filed her First Amended Complaint adding a cause of action for civil penalties under the PAGA (the “Lawsuit”). On September 5, 2023, the Parties stipulated to dismiss all of Plaintiff’s Class Action claims.

The settlement between the Parties has been reached regarding the representative PAGA claims for civil penalties payable to herself, other aggrieved employees, and the State of California pursuant to PAGA, based on allegations that Defendant: (1) failed to pay minimum wage; (2) failed to pay overtime wages; (3) failed to provide meal periods; (4) failed to permit or authorize rest breaks; (5) failed to issue accurate wage statements; (6) failed to pay all wages upon separation of employment; and (7) failed to pay all wages during employment. Specifically, the PAGA Claims are claims asserted or which could have been asserted in the Lawsuit and both or either of Plaintiff’s Complaints and/or PAGA Notice filed with the LWDA, including all PAGA claims stated expressly or by implication in the Notice filed with the LWDA or that could have been alleged based on the facts and circumstances set forth therein. The applicable PAGA Notice related to the Lawsuit is attached hereto as **Exhibit A** (all of the foregoing is collectively referred to as Plaintiff’s “PAGA Claims”).

WHEREAS, on June 5, 2023, Plaintiff timely sent notice letter to the LWDA of her intent to pursue representative actions pursuant to PAGA, on behalf of herself, other aggrieved employees, and the State of California (the notice by Plaintiff to the LWDA is referred to as the “PAGA Notice” herein).

WHEREAS, during the pendency of the Lawsuit, the Parties conducted significant investigation of the facts and law and engaged in an informal discovery exchange prior to mediation. In response to Plaintiff’s Counsel’s informal discovery requests, Defendant provided

Plaintiff's Counsel with information and documents pertaining to Plaintiff and the Aggrieved Employees, and the claims in the Lawsuit, including time punch and payroll data, to provide Plaintiff the opportunity to investigate Plaintiff's allegations and the PAGA Claims.

WHEREAS, on January 18, 2024, the Parties attended a full day mediation with experienced wage-and-hour mediator Steve Pearl, Esq. As a result, the Parties agreed to settle Plaintiff's representative PAGA Claims, taking into account all known facts and circumstances including the difficulty of proving some of Plaintiff's claims, potential defenses asserted by Defendant, the uncertainty associated with litigation, the risks of significant delay, and numerous potential appellate issues.

WHEREAS, for purposes of this Settlement, the Aggrieved Employees are defined as: "All nonexempt employees who are or were employed by Defendant in California from June 5, 2022 to January 22, 2024."

WHEREAS, for purposes of this Settlement, the PAGA Period is defined as the period from June 5, 2022, to January 22, 2024 ("PAGA Period").

WHEREAS, the Parties understand, acknowledge, and agree that this PAGA settlement constitutes a compromise of Plaintiff's PAGA Claims, and that it is the desire and intention of the Parties to effect a final and complete resolution of the Representative PAGA Claims that Plaintiff and the Aggrieved Employees have or may have against Defendant and all of their current and former officers, directors, employees and agents (collectively, the "Released Parties"). The Parties further acknowledge that this Agreement is a compromise of disputed claims and that nothing in this Agreement shall be construed as an admission by Defendant or the Released Parties of any wrongdoing or liability. Specifically, Defendant and the Released Parties deny any liability or wrongdoing of any kind associated with the claims alleged in the Lawsuit and the PAGA Notice. Defendant and the Released Parties, among other things, contend that they have complied at all times with the California Labor Code and all applicable California laws.

WHEREAS, California Labor Code § 2699(l)(2) requires Court review and approval of any settlement of a civil action filed pursuant to PAGA.

WHEREAS, based on their own independent investigations and evaluations, Defendant and Plaintiff, and their respective counsel, are of the opinion that the amount and terms of the Settlement are fair, reasonable, and adequate and are in the best interests of the Plaintiff, the Aggrieved Employees, and Defendant in light of all known facts and circumstances and the risks inherent in litigation, including the potential appellate issues. Further, counsel for Plaintiff and the Aggrieved Employees believes that the settlement amount entered into is in the best interests of the Aggrieved Employees and that the settlement for each Aggrieved Employee is fair, reasonable, and adequate, given the inherent risk of litigation.

WHEREAS, the Parties: (1) believe and agree that this Agreement provides for a fair, adequate, and reasonable resolution of the PAGA Claims, (2) have investigated the facts relevant to this settlement and this Agreement, and all matters pertaining thereto, and (3) have arrived at the settlement through extensive, arms-length negotiations, taking into account all relevant factors, present and potential.

WHEREAS, the Parties recognize that in accordance with Labor Code section 2699(l), Court approval is required in the event of a settlement of a PAGA action on a representative basis. However, as explained in *Arias v. Superior Court*, 46 Cal. 4th 969 (2009), the Parties are not obligated to follow the class action procedural rules in PAGA cases and therefore need not obtain approval of the PAGA settlement through a motion for preliminary or final approval. *See also Mendoza v. Nordstrom, Inc.*, 2 Cal. 5th 1074 (2017) (“PAGA authorizes a representative action without the need for class certification”); *Baumann v. Chase Inv. Servs. Corp.*, 747 F.3d 1117, 1123 (9th Cir. 2014) (“a PAGA suit is fundamentally different than a class action” in that PAGA has no notice requirements for unnamed aggrieved employees, nor may such employees opt out of a PAGA action); *Williams v. Sup. Ct.*, 3 Cal. 5th 531, 546-47 (2017) (“PAGA does not make other potentially aggrieved employees parties or clients of plaintiff’s counsel, does not impose on a plaintiff or counsel any express fiduciary obligations, and does not subject a plaintiff or counsel to scrutiny with respect to the ability to represent a large class”).

Therefore, in consideration of the promises and agreements contained herein, and to avoid the uncertainty, risks, costs, and delays associated with further litigation, the Parties agree and covenant as follows:

1. **Effective Date.** The effective date (“Effective Date”) of this Agreement shall mean the date of entry of the order of the Court approving this Agreement and the PAGA Settlement.
2. **PAGA Released Claims/Effect of Judgment on Aggrieved Employees and LWDA.** The Parties agree and acknowledge that, to the maximum extent permitted by law, the final judgment entered pursuant to this settlement will bind all those who would be bound by a judgment if the action had been brought by the LWDA, including Plaintiff, the LWDA, and the Aggrieved Employees, with respect to the recovery of civil penalties under the California Private Attorneys General Act, California Labor Code § 2698, *et. seq.* only, against the Released Parties. It is expressly understood and agreed that this settlement only includes a full release of the PAGA claims that could have been sought by the State of California Labor Commissioner for the violations identified in Plaintiff’s pre-filing notice letter filed with the LWDA attached as **Exhibit A** upon the Effective Date and full funding of the Gross Settlement amount (“Released PAGA Claims”). This settlement shall not impact aggrieved employees’ ability to assert claims (claims for wages and other damages) other than the PAGA claims being released by this Settlement. Plaintiff does not release any aggrieved employee’s claim for wages or damages.
3. **Notice to LWDA.** Pursuant to California Labor Code § 2699(l)(2), the Parties shall submit to the LWDA a copy of this Agreement at the same time that the Parties submit it to the Court for approval.
4. **No Right to Opt Out.** The Parties agree that there is no statutory right for any Aggrieved Employee to object, opt out or otherwise exclude themselves from the Settlement.
5. **Gross Settlement Amount.** Defendant agrees to pay, in accordance with the terms set forth herein, the total sum of One Hundred Thousand Dollars and Zero Cents (\$100,000.00) as the non-reversionary gross settlement amount (the “Gross Settlement Amount”) in full settlement of the Lawsuit. The Gross Settlement Amount, which represents the total amount payable under this

Settlement by Defendant (subject to the Escalator Clause described below), will be allocated as follows:

- a. PAGA Counsel's attorneys' fees and costs request of up to 35% of the Gross Settlement Amount or Thirty Five Thousand Dollars and Zero Cents (\$35,000.00) ("PAGA Counsel's Fees") and PAGA Counsel's separate request for reasonable litigation costs incurred in this matter ("PAGA Counsel's Costs") not to exceed Fifteen Thousand Dollars and Zero Cents (\$ 15,000.00). Defendant will not oppose these requests. To the extent that the Court approves less than the amount of attorney's fees and costs that PAGA Counsel requests, any reduced amount shall revert to the PAGA Fund.
 - b. Administration costs are estimated not to exceed Five Thousand Dollars and Zero Cents (\$7,500.00) to be paid to the Settlement Administrator ("Administration Costs"), which is a good faith estimate. If the Parties' estimated administration fees are too little, it can be adjusted and shall be paid from the Gross Settlement. If the actual administration fee is less than the Parties' estimated administration fees, the difference between the actual and estimated administration fees will revert to the PAGA Fund; and
 - c. The remainder of the Gross Settlement Amount (the "PAGA Fund") after deducting items (a) and (b) shall be designated as PAGA Penalties to be allocated between the LWDA and the Aggrieved Employees pursuant to Labor Code section 2699(i), with 75% paid to the LWDA (the "LWDA PAGA Portion") and 25% paid to the Aggrieved Employees (the "Aggrieved Employees' PAGA Portion") on a pro-rata basis as set forth in Paragraph 7 below.
6. **Allocation Adjustment.** The Parties agree that should the Court deny approval of the Gross Settlement Amount and/or the Net Settlement Amount, the Parties agree to renegotiate the allocation of funds in good faith in an effort to obtain approval of the Settlement.
7. **Allocation and Calculation of the PAGA Penalties.** Each Aggrieved Employee shall receive a portion of the PAGA Penalties on a pro-rata basis. Defendant will calculate: (i) the total number of pay periods worked by each Aggrieved Employee during the PAGA Period, and (ii) the total number of pay periods worked by all Aggrieved Employees during the PAGA Period. To determine each Aggrieved Employee's payment from the Aggrieved Employees' PAGA Portion, Defendant will use the following formula: $\text{Settlement Payment} = \text{Aggrieved Employees' PAGA Portion} \times [\text{Pay Periods Worked by Individual Aggrieved Employee during the PAGA Period} \div \text{Total Pay Periods Worked by All Aggrieved Employees during the PAGA Period}]$.
8. **Escalator Clause:** Defendant's best estimate for the number of pay periods at issue for the PAGA Group for the period of June 5, 2022, to January 22, 2024, is approximately 6,500 pay periods. Should the number of pay periods during the PAGA Period increase by more than 10%, the Gross Settlement Amount will increase proportionately over the 10% grace (i.e., meaning if the pay periods increase by 11% the settlement will increase by 1%). However, if the escalator clause is triggered, Defendant may alternatively choose to end the PAGA Period on the date that the increase would otherwise be triggered.

9. **Tax Treatment of Settlement Amounts.** With regard to settlement payments to Aggrieved Employees, IRS Form 1099s will be issued by the Settlement Administrator, if applicable. IRS Form 1099s are used for payments of miscellaneous income that is not considered wages, such as the penalty payments at issue in this Settlement. Nothing in this Settlement is intended to constitute legal advice regarding federal, state, and/or local tax obligations. Defendant, their counsel and Plaintiff's and the Aggrieved Employees' counsel are not responsible for any employee tax obligations regarding the allocation of the settlement payments. Payment of the portion allocated to PAGA Counsel's fees and costs will be reflected in a Form 1099 to PAGA Counsel, who shall assume full responsibility and liability for the payment of taxes due on such payments.

10. **Circular 230 Disclaimer.** EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS OR ITS OWN, INDEPENDENT LEGAL AND TAX ADVISERS FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

11. **PAGA Settlement Payment Procedures.**

- a. Within thirty (30) calendar days of the Effective Date, Defendant shall deposit the Gross Settlement Amount or \$100,000, minus the approved amount of PAGA Counsel's Fees and the PAGA Counsel's costs, with the Settlement Administrator. Within thirty (30) calendar days of the Effective Date, Defendant shall also tender the approved PAGA Counsel's Fees and PAGA Counsel's costs to PAGA Counsel. Within thirty (30) calendar days of the Effective Date, Defendant shall also provide the Settlement Administrator with a list of all Aggrieved Employees with each listed employee's full name, last known mailing address, last known telephone number, social security number, and the actual number of compensable pay periods worked by them during the PAGA Period. The Settlement Administrator shall run all the addresses of Aggrieved Employees through the

United States Postal Service NCOA database to obtain current address information and shall skip trace and re-mail all returned, undelivered mail within ten (10) calendar days of receiving notice that a notice was undeliverable.

- b. Within thirty (30) calendar days from the date the Gross Settlement Amount has been deposited with the Settlement Administrator as well as the information provided in Paragraph 11 (a), the Settlement Administrator shall:
 - i. Distribute a total of Twenty-Five percent (25%) of the PAGA Fund to the Aggrieved Employees, along with the Notice of PAGA Representative Action Settlement (attached hereto as **Exhibit B**). Aggrieved Employees shall not be required to make claims to receive their share of the PAGA settlement. The payment checks shall be sent to each Aggrieved Employee by U.S. First Class mail to the Aggrieved Employee's last known mailing address with directions to the Postmaster to forward the payment checks and return all undeliverable payment checks to the Settlement Administrator. It will be conclusively presumed that an Aggrieved Employee's individual settlement payment check was received if the payment check has not been returned within thirty (30) calendar days of the original mailing. All uncashed settlement checks shall be redistributed to the LWDA and those Aggrieved Employees who have already cashed their checks based on their pro rata share of the PAGA penalties calculated in accordance with Paragraph 7.
 - ii. Distribute payment to itself for services as Settlement Administrator, as approved by the Court.
- c. Settlement Checks issued to Aggrieved Employees pursuant to this Agreement will expire one hundred and eighty (180) calendar days from the date they are mailed by the Settlement Administrator. All money represented by uncashed settlement checks shall be redistributed by the Settlement Administrator to the LWDA and those Aggrieved Employees who have already cashed their checks based on their pro rata share of the PAGA penalties calculated in accordance with Paragraph 7.
- d. The Parties and their counsel shall not bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

12. **Settlement Administrator.** The Settlement Administrator shall be responsible for sending notices, calculating settlement payments, preparing all checks and mailings, and complying with all requirements set forth herein. As noted above, the costs of the Settlement Administrator shall be paid out of the Gross Settlement Amount, and the Parties agree to use ILYM Group, Inc. as the Settlement Administrator.

13. **Duties of the Parties Related to Approval.** Promptly upon execution of this Agreement, Plaintiff shall file her motion for approval of the proposed Settlement and for the entry of an order approving this Settlement as required by Labor Code section 2699(1). The approval motion will request Court approval of the following: (1) the terms of this Agreement, (2) PAGA Counsel's Fees and PAGA Counsel's Costs, (3) payments to Aggrieved Employees and the LWDA, (4)

payment to the Settlement Administrator, and (5) Final Judgment. In conjunction with the approval motion, Plaintiff shall submit a proposed Final Judgment to the Court.

14. **Interim Stay of Proceedings.** The Parties agree to refrain from further litigation of this matter, except such proceedings necessary to implement and obtain Final Judgment.

15. **Invalid without Court Approval.** In the event this Agreement is not approved by the Court, it shall be deemed null and void, of no force and effect, and of no probative or evidentiary value, and the Parties hereto represent, warrant, and covenant that it will not be used or referred to for any purpose whatsoever. In the event that the Agreement does not become final for any reason, this Agreement shall be null and void and any order entered by the Court in furtherance thereof shall be treated as void ab initio. In such a case, the Parties shall return to the status quo as if they had not entered into this Agreement. The Settlement Administrator will be paid by Defendant for its costs through the date it is notified that the Settlement will not proceed.

16. **Non-Admission of Wrongdoing.** The Parties agree that this Agreement does not constitute an admission by Defendant or any Released Party, of any of the matters alleged in the Lawsuits or of any violation by any of them of any federal, state or local law, ordinance or regulation, or of any violation of any policy or procedure, or of any liability or wrongdoing whatsoever. Neither this Agreement nor anything in this Agreement shall be construed to be or shall be admissible in any proceeding as evidence of liability or wrongdoing by Plaintiff, Defendant or the Released Parties.

17. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Agreement will not constitute a waiver of any other provision.

18. **Covenants and Representations.** Plaintiff represents and warrants she has not assigned or transferred or purported to assign or transfer, to any person or entity, any claim, right, liability, demand, obligation, expense, action, or causes, or portion thereof, or interest therein, which is or may be subject to this Settlement. Plaintiff acknowledges she has read this Settlement, fully understands her rights, privileges, and duties under the Settlement, and enters into this Settlement freely and voluntarily, and without duress. Plaintiff further acknowledges she had the opportunity to consult with her attorney to explain the terms of this Settlement and the consequences of signing this Settlement.

19. **Termination of Settlement.** If the Court does not approve the Settlement or does not enter judgment as provided for in this Settlement or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or, except as otherwise set forth herein, if one or more of the terms of the Settlement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within ten (10) calendar days of written notice thereof to elect to terminate the Settlement, in which case the Settlement shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement.

20. **Enforcement.** The Parties agree that following entry of the Final Judgment, this Agreement shall be enforceable by the Court and the Court shall retain exclusive and continuing jurisdiction of the Lawsuit over all Parties and the Aggrieved Employees to interpret and enforce the terms, conditions, and obligations of the Agreement pursuant to California Code of Civil Procedure section 664.6. In the event that one or more of the Parties to this Settlement institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties shall be entitled to recover from the unsuccessful Party or Parties reasonable attorney's fees and costs, including expert witness fees incurred in connection with any enforcement actions.
21. **Costs and Fees.** The Parties shall each bear their own costs, attorneys' fees, expert fees, mediator fees, and other fees incurred in connection with this Settlement, the Lawsuit and Plaintiff's claims, except as otherwise set forth specifically herein.
22. **Entire Agreement.** This Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts and writings prior to the date hereof relating to the subject matters hereof. This is a fully integrated agreement. No other promises or agreements shall be binding or shall modify this Agreement unless in writing and signed by the Parties.
23. **Severability.** If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the Agreement that can be given effect without the invalid provisions or application, and to this end, the provisions of this Agreement are declared to be severable. Notwithstanding the foregoing, no portion of any release contained herein may be deemed severed or deleted from this Agreement, except upon waiver in writing by the applicable Released Party.
24. **No Construction Against the Drafter.** Each Party has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any Party on the basis that the Party was the drafter.
25. **Choice of Law.** This Agreement shall be deemed to have been executed and delivered within the State of California, and the rights and obligations of the Parties hereunder shall be construed and enforced in accordance with, and governed by, the laws of the State of California without regard to principles of conflict of laws.
26. **Counterparts.** This Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.
27. **Cooperation.** Each Party, on behalf of themselves, and their respective business entities, heirs, executors, and assigns, agrees that they will abide by this Agreement and will do all such acts, and prepare, execute, and deliver all such documents, as may be reasonably required to carry out the stated objectives of this Agreement.

28. **Electronic Signature.** Each Party specifically agrees that an electronic signature shall have the same force and effect as a signed original of the Agreement, and that the Parties may use DocuSign, an electronic signature technology, to expedite the execution of this Agreement pursuant to California Civil Code Section 1633.7.

Dated: 3/8/2024

DocuSigned by:

17601322DEB54D4...

Plaintiff, Candice Hill

Dated: Mar 8, 2024

Jeff Bottomley
Jeff Bottomley (Mar 8, 2024 15:40 PST)
Defendant, Pacific Dermatology Institute, Inc.
By: Jeff Bottomley
Its: COO

EXHIBIT A



Suren N. Weerasuriya, Esq.

206 W. 4th Street, Suite 340, Santa Ana, California 92701

Phone (714)406-2048 | suren@gwlawapc.com

June 05, 2023

Submitted Online

California Labor and Workforce Development Agency
Attention: PAGA Administrator

Sent via Certified Mail w/ Return Receipt Requested

Pacific Dermatology Institute, Inc.
c/o Bradley Mudge
240 Newport Center Drive, # 105
Newport Beach, California 92660

Re: *Candise Hill v. Pacific Dermatology Institute, Inc.*

Dear Sir(s) and/or Madam(s):

My firm represents Candise Hill (“Claimant”) regarding Labor Code claims against her current employer Pacific Dermatology Institute, Inc. (“Respondent”)

Please take notice under Labor Code section 2699.3(a)(1) of Respondent’s Labor Code violations. Below are the facts and legal theories establishing the violations.

Also, please take notice that based on the violations and claims described in this correspondence, Complainant will seek penalties against Respondent under the Private Attorneys General Act (Labor Code section 2699, et seq.) for herself and all other aggrieved employees (collectively, the “Aggrieved Employees”).

Respondent violated Labor Code sections 201-203, 204, 210, 212, 225.3, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, and 1197.1

The Aggrieved Employees work for Respondents as assistants, including medical assistants, physician's assistants, and technicians—all in non-exempt positions where they spent more than 50% of their workdays and shifts performing non-exempt duties.

In violation of Labor Code sections 226.7 and 510, Respondent has a practice in place under which it failed to provide meal periods and failed to permit and authorize rest breaks, or pay premiums. Indeed, Respondent, while purporting to provide the Aggrieved Employees with meal periods and rest breaks, implemented and enforced a scheduling practice that left the Aggrieved Employees with insufficient time in a day to take meal periods and rest breaks, while still competently performing their assigned work and duties. Concurrent with this practice, Respondent had a policy and practice that threatened the Aggrieved Employees with disciplinary action for failure to perform their duties.

Consequently, when the Aggrieved Employees lacked the staff support and/or time to perform and complete their duties (as expected by Respondent) while taking compliant meal periods and rest breaks—which was a regular occurrence—they had no choice but to miss rest breaks and meal periods or to take non-compliant meal periods and rest breaks, e.g., on-premises breaks and meal periods, interrupted breaks and meal periods, short breaks and meal periods, or late meal periods.

Through the above policies, procedures, and practices, Respondents failed to provide duty-free meal periods and rest breaks; failed to relinquish control over the Aggrieved Employees during meal periods and rest breaks; failed to provide the Aggrieved Employees with a reasonable opportunity to take uninterrupted 30-minute meal periods and uninterrupted rest breaks; and impeded and discouraged rest breaks.

Moreover, Respondent regularly failed to pay premiums to the Aggrieved Employees for these meal period and rest break violations.

Further, Respondent violated Labor Code sections 226 and 226.3 by failing to provide the Aggrieved Employees accurate wage statements by regularly issuing them wage statements inaccurately stating the “wages earned” by the Aggrieved Employees. The wage statements were inaccurate because they omitted the premiums owed to the Aggrieved Employees for meal period and rest break violations.

Also, Respondent violated Labor Code sections 225.5, 223, 510, 118.12, 1194, 1194.2, 1197, and 1197.1, by failing to pay the Aggrieved Employees the minimum wage for all hours worked; and overtime wages for overtime hours worked. Respondent regularly required the Aggrieved Employees to travel from one office location to another, under Respondent's direction and control. However, Respondent did not pay the Aggrieved Employees for this travel time.

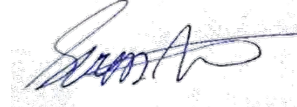
Respondents also violated Labor Code sections 2800 and 2802 by failing to reimburse the Aggrieved Employees for mileage. Respondent required the Aggrieved Employees to travel between office locations but did not reimburse them for mileage.

Respondent also failed to timely pay Aggrieved Employees all wages due to them throughout their employment and following the end of these workers' employment with the Respondent, thus violating Labor Code sections 201-203, 204, and 210. Namely, Respondent failed to pay meal and rest break premiums owed to the Aggrieved Employees during their employment and once their employment with Respondents ended. Additionally, Respondent did not pay the Aggrieved Employees for drive time, when these Employees drove from one location to another, under Respondent's direction and control.

If the Respondent's Labor Code violations are not remedied, in strict compliance with the Labor Code and PAGA, Claimant will bring an action seeking civil penalties, attorney's fees, and costs, for the State of California and all Aggrieved Employees.

If you have any questions, please contact me.

Regards,

A handwritten signature in blue ink, appearing to read 'Suren N. Weerasuriya', is positioned above the printed name.

Suren N. Weerasuriya

EXHIBIT B

NOTICE OF COURT-APPROVED SETTLEMENT

Candise Hill v. Pacific Dermatology Institute, Inc.

San Bernardino County Superior Court Case Number CIVSB2312940

Department S-17

Honorable Joseph T. Ortiz Presiding

THE SUPERIOR COURT OF CALIFORNIA AUTHORIZED THIS NOTICE.

PLEASE READ IT CAREFULLY.

IT IS NOT SPAM MAIL.

YOU ARE NOT BEING SUED OR SOLICITED BY ATTORNEYS.

THIS NOTICE IS TO ADVISE YOU OF PAYMENT BEING MADE TO YOU.

1. You are receiving this Notice because you are eligible to receive money from a representative action (the “Case”) under California’s Private Attorneys General Act (“PAGA”) for alleged Labor Code violations by Pacific Dermatology Institute, Inc. (“PDI”).
2. Candise Hill (“Plaintiff”) filed the Action on behalf of herself, the State of California, and all individuals who worked as non-exempt employees for PDI from June 05, 2022, onwards.
3. Through the Action, Plaintiff sought civil penalties for PDI’s alleged Labor Code violations for unpaid wages, failure to provide meal periods, failure to permit and authorize rest breaks, failure to issue accurate wage statements, and failure to pay all wages during and upon the end of employment. PDI denies the allegations and claims in the Action.
4. PDI and Plaintiff have since settled the Action for a gross settlement amount of \$100,000 (“GSA”). In settling the Action, Plaintiff has not proven PDI’s liability. And PDI has not admitted to liability.
5. Plaintiff and PDI settled the Action after extensive investigations and mediation with an experienced mediator. Plaintiff and PDI agree that the settlement is fair, reasonable, and adequate. They then submitted the settlement agreement and this Notice to the Superior Court for approval.
6. The Court approved the settlement on _____, thus holding that the settlement is fair, reasonable, and adequate.
7. The GSA will cover (a) 25% of all civil penalties to all non-exempt employees who worked for PDI from June 05, 2022, to January 22, 2024 (the “Aggrieved Employees”), including

You; (b) attorney's fees of \$____, which are a court-approved percentage of the GSA; (c) attorney's costs of \$____, which are a court-approved amount; and (d) \$____ in expenses for administration of the Settlement.

8. The settlement administrator is ILYM Group, Inc. ILYM is in charge of calculating the settlement amounts owed to the Aggrieved Employees and sending out settlement checks.
9. PDI's records show that You are an Aggrieved Employee. Therefore, you are entitled to a portion of funds based on your share of the total number of pay periods you worked for PDI from June 05, 2022, to January 22, 2024.
10. Based on PDI's records, Your payment of civil penalties is \$_____. This figure was based on PDI's records showing that you worked ____ pay periods for PDI from June 05, 2022, to January 22, 2024.
11. A check for Your payment is enclosed with this Notice, with an IRS Form 1099.
12. The Court, Plaintiff and her counsel, nor PDI and its counsel, are giving You any tax advice about the payment.
13. You cannot "opt out" of this settlement.
14. You cannot object to this settlement.
15. If You do not deposit the settlement check within 180 days of the date stated on the check, the monetary amount stated on the check will revert back to the settlement administrator, to distribute to the other Aggrieved Employees who have deposited their settlement checks.
16. Any questions about the settlement terms should be directed to Plaintiff's Counsel:

Suren N. Weerasuriya
Gonzalez Weerasuriya, APC
206 4th Street, Suite 340
Santa Ana, California 92701
(714) 406-2048
suren@gwlawapc.com

17. Any questions about the settlement check, including the amount or calculation, should be directed to :

ILYM Group, Inc.
2832 Walnut Ave. Suite C Tustin, CA 92780
(888) 250-6810
(888) 845-6185

18. If You lose Your settlement check, contact ILYM Group, Inc.
19. Please do not contact the Superior Court about this Notice, the settlement, or the Action.

EXHIBIT D

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28



Gonzalez Weerasuriya, APC

Hill vs. Pacific Dermatology Institute, Inc.

Type	Date	Notes	Quantity	Rate	Total
Service	05/29/2023	Began preparing Class Action Complaint.	4.60	\$650.00	\$2,990.00
Service	06/05/2023	Prepared Notice to LWDA of Defendant's Labor Code Violations.	3.60	\$650.00	\$2,340.00
Expense	06/05/2023	LWDA Filing Fees: Filing fee for LWDA Notice	1.00	\$75.00	\$75.00
Expense	06/05/2023	Mail: Certified Mailing Expense for LWDA Notice.	1.00	\$9.52	\$9.52
Service	06/05/2023	Completed preparation of Class Action Complaint and filed the same.	3.80	\$650.00	\$2,470.00
Expense	06/05/2023	Reimbursable expenses: Filing fees for Complex Complaint.	1.00	\$1,525.00	\$1,525.00
Service	06/06/2023	Telephone conference with Client to discuss damages for individual and PAGA claims.	1.10	\$650.00	\$715.00
Expense	07/06/2023	Filing Fees: Filing Fee for Certificate of Assignment	1.00	\$70.00	\$70.00
Service	08/08/2023	Prepared Initial Case Management Conference Statement.	0.60	\$650.00	\$390.00
Expense	08/15/2023	Filing Fees: Filing Fee for CMC Statement 08/10/2023	1.00	\$90.00	\$90.00
Expense	08/15/2023	Filing Fees: Filing Fee for Proof of Service of Summons 08/09/2023	1.00	\$90.00	\$90.00
Service	08/16/2023	Prepared correspondence to Defendant's Counsel regarding Defendant's position that Client signed Arbitration Clause, and regarding Initial Case Management Conference.	0.10	\$650.00	\$65.00

Service	08/21/2023	Attended Initial CMC.	0.80	\$650.00	\$520.00
Service	08/28/2023	Reviewed and analyzed Arbitration Clause signed by Client.	0.30	\$650.00	\$195.00
Service	08/30/2023	Reviewed and responded to correspondence from Defendant's Counsel regarding Client's alleged class action claims and intended PAGA claims; and re mediation.	0.30	\$650.00	\$195.00
Expense	09/01/2023	Filing Fees: Efile 1st Amended Complaint	1.00	\$90.00	\$90.00
Service	09/01/2023	Prepared First Amended Complaint alleging PAGA claims.	1.60	\$650.00	\$1,040.00
Service	09/02/2023	Reviewed and analyzed Stipulation to Dismiss Class Claims; and prepared correspondence to Defendant's Counsel regarding the same.	0.20	\$650.00	\$130.00
Service	09/09/2023	Prepared correspondence to Defendant's Counsel re scope of mediation.	0.20	\$650.00	\$130.00
Service	09/13/2023	Reviewed and responded to correspondence from Defendant's Counsel regarding Mediation data sampling size and scope of mediation.	0.20	\$650.00	\$130.00
Service	09/26/2023	Conferred with Defendant's Counsel regarding the number of pay periods and aggrieved employees in statutory period.	0.20	\$650.00	\$130.00
Service	10/03/2023	Conferred with Defendant's Counsel regarding mediation date selection and status of data points and data production.	0.30	\$650.00	\$195.00
Service	10/09/2023	Prepared correspondence to Defendant's Counsel re records and mediation data points needed.	0.40	\$650.00	\$260.00
Service	10/09/2023	Prepared correspondence to Defendant's Counsel specifying records and data points required for mediation.	0.60	\$650.00	\$390.00
Service	10/09/2023	Telephone conference with Defendant;s Counsel regarding data points and records request for mediation.	0.40	\$650.00	\$260.00
Expense	11/10/2023	Reimbursable expenses: Plaintiff's portion of Mediation Fees for Full Day Mediation with Steve Pearl.	1.00	\$9,012.50	\$9,012.50
Service	11/13/2023	Telephone conference with first witness and former employee of PDI re rest breaks and meal periods.	0.80	\$650.00	\$520.00
Service	11/16/2023	Conferred with Defendant's Counsel regarding status of records and data points production for mediation.	0.20	\$650.00	\$130.00
Service	11/27/2023	Telephone conference with a second witness and former employee of PDI re rest breaks and meal periods.	1.50	\$650.00	\$975.00

Service	12/03/2023	Telephone conference with opposing counsel re mediation data production.	0.30	\$650.00	\$195.00
Service	12/04/2023	Telephone conference with a third witness and former employee of PDI re rest breaks and meal periods.	0.40	\$650.00	\$260.00
Service	12/07/2023	Telephone conference with opposing counsel regarding addition data points and facts necessary for mediation.	0.60	\$650.00	\$390.00
Service	12/07/2023	Telephone conference with a fourth witness and former employee of PDI re rest breaks and meal periods.	0.70	\$650.00	\$455.00
Service	12/11/2023	Began reviewing mediation data and calculating violation rates for meal periods--including timekeeping records, wage statements, and policies and procedures--in anticipation of mediation preparing damages analysis for mediation.	3.80	\$650.00	\$2,470.00
Service	12/13/2023	Continued reviewing mediation data (to identify premiums paid and wage statement compliance) -- including timekeeping records, wage statements, and policies and procedures--in anticipation of mediation preparing damages analysis for mediation.	2.30	\$650.00	\$1,495.00
Service	12/14/2023	Continued reviewing mediation data--including timekeeping records, wage statements, and policies and procedures--in anticipation of mediation preparing damages analysis for mediation.	1.60	\$650.00	\$1,040.00
Service	12/18/2023	Completed preapred of mediation data--including timekeeping records, wage statements, and policies and procedures--in anticipation of mediation preparing damages analysis for mediation.	1.90	\$650.00	\$1,235.00
Service	12/19/2023	Calculated PAGA penalties based on mediation data analysis.	1.20	\$650.00	\$780.00
Service	12/20/2023	Began preparing mediation brief.	3.20	\$650.00	\$2,080.00
Service	12/22/2023	Conducted investigations on Defendant Pacific Dermatology for mediation brief.	3.90	\$650.00	\$2,535.00
Service	12/27/2023	Continued preparing mediation brief.	2.10	\$650.00	\$1,365.00
Service	01/04/2024	Finished preparing mediation brief.	4.10	\$650.00	\$2,665.00
Service	01/05/2024	Telephone conference with a fifth witness and former employee of PDI re rest breaks and meal periods.	1.10	\$650.00	\$715.00
Service	01/09/2024	Conferred with opposing counsel regarding Defendant's disciplinary policies and procedures.	0.30	\$650.00	\$195.00
Service	01/12/2024	Telephone conference with Client re mediation strategy and facts relating to job duties, rest break practices, and drive time pay practices.	2.20	\$650.00	\$1,430.00

Service	01/16/2024	Telephone conference with a sixth witness and former employee of PDI re rest breaks and meal periods.	0.80	\$650.00	\$520.00
Service	01/18/2024	Attended Mediation with Steve Pearl.	6.10	\$650.00	\$3,965.00
Service	01/22/2024	Prepared correspondence to Mediator re Proposal.	0.10	\$650.00	\$65.00
Service	01/23/2024	Attended Case Management Conference.	0.20	\$650.00	\$130.00
Service	02/19/2024	Reviewed and analyzed MOU and Individual Settlement Agreement.	0.80	\$650.00	\$520.00
Service	02/23/2024	Began preparing Motion for Approval of PAGA Settlement.	2.10	\$650.00	\$1,365.00
Service	02/27/2024	Telephone conference with Client re MOU and individual settlement agreement.	0.50	\$650.00	\$325.00
Service	02/27/2024	Continued preparing Motion for Approval of PAGA Settlement.	3.60	\$650.00	\$2,340.00
Service	02/29/2024	Continued Preparing Motion to Approve PAGA Settlement.	2.60	\$650.00	\$1,690.00
Service	03/01/2024	Continued Preparing Motion to Approve PAGA Settlement.	1.60	\$650.00	\$1,040.00
Service	03/04/2024	Completed Preparing Motion to Approve PAGA Settlement.	2.20	\$650.00	\$1,430.00
Service	03/07/2024	Reviewed and revised Long Form Settlement Agreement (.9); and incorporated changes into Motion for Approval of PAGA Settlement (.3)	1.20	\$650.00	\$780.00
Service	03/08/2024	Finalized Long Form Agreement and sent to Client for review and execution.	0.20	\$650.00	\$130.00
Service	03/08/2024	Made final changes to Motion for Approval of PAGA Settlement.	1.30	\$650.00	\$845.00
				Total	\$59,582.02