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Attorneys for Plaintiffs

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN JOAQUIN**

DJUANA SHANELLA HALE and
SHANNON GILBERT, individually, and on
behalf of other similarly situated employees
and aggrieved employees pursuant to the
California Private Attorneys General Act, and
GEORGE HERNANDEZ, individually, and
on behalf of other similarly situated
employees,

Plaintiffs,

vs.

WELBE HEALTH, LLC, a Delaware Limited
Liability Company; WELBE HEALTH
PACE, LLC, a Delaware Limited Liability
Company; WELBE HEALTH BAY AREA
PACE, LLC, a Delaware Limited Liability
Company; WELBEHEALTH INLAND
EMPIRE PACE, LLC, a Delaware Limited
Liability Company; WELBE HEALTH SAN
BERNARDINO PACE, LLC, a Delaware
Limited Liability Company; LA COAST
PACE, LLC, a Delaware Limited Liability
Company; WELBE HOUSECALLS, LLC, a
Delaware Limited Liability Company;
SEQUOIA PACE, LLC, a Delaware Limited

Case No. STK-CV-UOE-2023-0006866

Honorable Robert T. Waters
Department 11B

**DECLARATION OF JONATHAN M. GENISH
IN SUPPORT OF PLAINTIFFS' MOTION
FOR PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: January 16, 2025
January 23, 2025
January 29, 2025
January 31, 2025
February 5, 2025
Time: 9:00 a.m.
Dept.: 11B

Complaint Filed: July 5, 2023
FAC Filed: September 23, 2024
Trial Date: Not Set

1 Liability Company; WELBE HEALTH HC,
2 NOCAL, LLC, a Delaware Limited Liability
3 Company; WELBE HEALTH HC SOCAL,
4 LLC, a Delaware Limited Liability Company;
5 STOCKTON PACE, LLC, a Delaware
6 Limited Liability Company; and DOES 1
7 through 25, inclusive,

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Defendants.

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1. I am an attorney duly licensed to practice law in all Courts of the State of California. I am a shareholder and the founder of Blackstone Law, APC (“Class Counsel”), attorneys of record for Plaintiffs Djuana Shanella Hale (“Plaintiff Hale”), Shannon Gilbert (“Plaintiff Gilbert”), and George Hernandez (“Plaintiff Hernandez”) (collectively, “Plaintiffs”) in the above-referenced case against Defendants Welbe Health, LLC; Welbe Health PACE, LLC; Welbe Health Bay Area PACE, LLC; WelbeHealth Inland Empire PACE, LLC; Welbe Health San Bernardino PACE, LLC; LA Coast PACE, LLC; Welbe Housecalls, LLC; Sequoia PACE, LLC; Welbe Health HC, NoCal, LLC; Welbe Health HC SoCal, LLC; and Stockton PACE, LLC (collectively, “Defendants”). I have personal knowledge of the facts contained herein, and, if called to testify, I could and would competently do so.

2. I am fully familiar with the legal and factual issues in this case and have specific experience litigating complex wage and hour actions as class actions, including employment cases as set forth above.

4. On the vast majority of those cases, I was the only or primary attorney managing the case and thus obtained extensive experience. In that capacity, I conducted wage and hour and wrongful termination labor and employment intakes; was the primary contact for all clients; took and defended hundreds (if not thousands) of depositions; propounded and responded to all discovery; prepared and

opposed all motions and pleadings, including dispositive and certification motions; strategized on all cases; attended all hearings; attended all mediations; coordinated with class action administrators; prepared and worked with experts; first and second chaired multiple trials and arbitrations; and engaged in all other intricate facets of litigation. During that time, I represented a wide range of clients from sole proprietorships to Fortune 500 companies in state, federal, complex, and appellate courts. Many of the cases I managed were highly publicized, with articles written about them in the Los Angeles Times, Deadline, The Hollywood Reporter, Business Insider, Law360, and others. Super Lawyers has regularly honored me as a Southern California Rising Star since 2012.

5. In February 2018, I started the law firm of Blackstone Law, APC, representing plaintiffs in individual and representative employment litigation. The firm has grown exponentially over the past six-plus years, now maintaining twenty-four highly pedigreed attorneys working on almost exclusively labor and employment class actions, California Labor Code Private Attorney General Act of 2004 (“PAGA”) cases, and individual matters, with roughly 15% of the firm focused on other complex general litigation matters.

6. Blackstone Law, APC has been counsel of record on several class action and PAGA actions that have since been resolved, the most recent of which are attached hereto as **Exhibit A**.

7. I am currently the managing partner overseeing roughly 500 labor and employment cases, approximately 80% of which include a wage and hour component. The majority of those cases are wage-and-hour putative class actions or representative PAGA actions seeking relief on behalf of thousands of California employees.

Procedural History

8. On July 3, 2023, Plaintiff Hale provided written notice to the California Labor and Workplace Development Agency (“LWDA”) of the specific provisions of the California Labor Code alleged to have been violated by Defendants, and provided a supplemental letter to the LWDA and to Defendants on September 11, 2024 (together, “Hale LWDA Letter”). A true and correct copy of the Hale LWDA Letter is attached hereto as **Exhibit B**.

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1 9. On July 5, 2023, Plaintiff Hale filed a Class Action Complaint in the action entitled
2 *Djuana Shanella Hale v. Welbe Health, LLC, et al.*, San Joaquin County Superior Court Case No.
3 STK-CV-UOE-2023-0006866 (“Action”) against Welbe Health, LLC and Stockton, PACE, LLC,
4 asserting the following causes of action: (1) Violation of California Labor Code Sections 510 and 1198
5 (Unpaid Overtime); (2) Violation of California Labor Code Sections 1194, 1197, and 1197.1 (Unpaid
6 Minimum Wages); (3) Violation of California Labor Code Sections 226.7 and 512 (Unpaid Meal
7 Period Premiums); (4) Violation of California Labor Code Section 226.7 (Unpaid Rest Period
8 Premiums); (5) Violation of California Labor Code Section 226(a) (Failure to Provide Accurate Wage
9 Statements); (6) Violation of California Labor Code Sections 201, 202, and 203 (Final Wages Not
10 Timely Paid); (7) Violation of California Labor Code Sections 2800 and 2802 (Failure to Reimburse
11 Necessary Business Expenses); and (8) Violation of California Business and Professions Code
12 Sections 17200 et seq. (Unfair and Unlawful Business Practices).

13 10. On September 8, 2023, Plaintiff Hale filed a Complaint for Enforcement Action Under
14 the Private Attorneys General Act, Labor Code §§ 2698 et seq. in the action entitled *Djuana Shanella*
15 *Hale v. Welbe Health, LLC, et al.*, San Joaquin County Superior Court Case No. STK-CV-UOE-2023-
16 0009670 (“Hale PAGA Action”) asserting one cause of action under PAGA.

17 11. On October 30, 2023, Plaintiff Gilbert filed a Class Action Complaint in the action
18 entitled *Shannon Gilbert v. LA Coast Pace, LLC, et al.*, Los Angeles County Superior Court Case No.
19 23STCV26547 (“Gilbert Action”) against LA Coast PACE, LLC, Welbe Health Bay Area PACE,
20 LLC, WelbeHealth Inland Empire PACE, LLC, and Welbe Health San Bernardino PACE, LLC
21 asserting the following causes of action: (1) Failure to Pay Minimum and Straight Time Wages (Cal.
22 Lab. Code §§ 204, 1194, 1994.2, and 1197); (2) Failure to Pay Overtime Wages (Cal. Lab. Code §§
23 1194 and 1198); (3) Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7, 512); (4) Failure to
24 Authorize and Permit Rest Periods (Cal. Lab. Code § 226.7); (5) Failure to Timely Pay Final Wages
25 at Termination (Cal. Lab. Code §§ 201-203); (6) Failure to Provide Accurate Itemized Wage
26 Statements (Cal. Lab. Code § 226); (7) Failure to Indemnify Employees for Expenditures (Cal. Lab.
27 Code § 2802); (8) Failure to Produce Requested Employment Records (Cal. Lab. Code §§ 226 and
28 1198.5); and (9) Unfair Business Practices (Cal. Bus. & Prof. Code §§ 17200 et seq.).

12. On November 29, 2023, Plaintiff Hernandez filed a Class Action Complaint in the action entitled *George Hernandez v. Welbe Health HC Nocal, LLC, et al.*, Stanislaus County Superior Court Case No. CV-23-007017 (“*Hernandez Action*”) against Welbe Health HC Nocal, LLC and Stockton PACE, LLC asserting the following causes of action: (1) Failure to Pay Minimum and Straight Time Wages (Cal. Lab. Code §§ 204, 1194, 1994.2, and 1197); (2) Failure to Pay Overtime Wages (Cal. Lab. Code §§ 1194 and 1198); (3) Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7, 512); (4) Failure to Authorize and Permit Rest Periods (Cal. Lab. Code § 226.7); (5) Failure to Timely Pay Final Wages at Termination (Cal. Lab. Code §§ 201-203); (6) Failure to Provide Accurate Itemized Wage Statements (Cal. Lab. Code § 226); (7) Failure to Indemnify Employees for Expenditures (Cal. Lab. Code § 2802); and (8) Unfair Business Practices (Cal. Bus. & Prof. Code §§ 17200 *et seq.*).

13. On December 12, 2023, Plaintiff Gilbert provided written notice to the LWDA of the specific provisions of the California Labor Code alleged to have been violated by Defendants, and provided a supplemental letter to the LWDA and to Defendants on September 11, 2024 (together, “Gilbert LWDA Letter”). A true and correct copy of the Gilbert LWDA Letter is attached hereto as **Exhibit C**. Together, the Hale LWDA Letter and the Gilbert LWDA Letter are referred to as the “LWDA Letters.”

14. On July 31, 2024, Plaintiffs and Defendants (collectively, the “Parties”) participated in a formal mediation conducted by Brandon McKelvey, Esq. (“Mediator”), a neutral and respected mediator with extensive experience in complex wage and hour matters, and with the assistance of the Mediator’s evaluations, the Parties were able to reach an agreement to resolve the Action, *Hale* PAGA Action, *Gilbert* Action, and *Hernandez* Action. The Parties then worked diligently to negotiate and memorialize the terms in a long form settlement agreement.

15. On September 18, 2024, pursuant to the settlement, Plaintiffs filed a First Amended Class and Representative Action Complaint (“Operative Complaint”) in the Action, which added all Plaintiffs, Defendants (which includes additional defendants that were settled on in order to effectuate the terms of the settlement), and claims alleged in the *Hale* PAGA Action, the *Gilbert* Action, and the *Hernandez* Action. The Operative Complaint asserts the following causes of action: (1) Violation of

California Labor Code Sections 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code Sections 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (3) Violation of California Labor Code Sections 226.7 and 512 (Unpaid Meal Period Premiums); (4) Violation of California Labor Code Section 226.7 (Unpaid Rest Period Premiums); (5) Violation of California Labor Code Section 226(a) (Failure to Provide Accurate Wage Statements); (6) Violation of California Labor Code Sections 201, 202, and 203 (Final Wages Not Timely Paid); (7) Violation of California Labor Code Sections 2800 and 2802 (Failure to Reimburse Necessary Business Expenses); (8) Violation of California Labor Code Sections 226 and 1198.5 (Failure to Produce Requested Employment Records); (9) Violation of California Business and Professions Code Sections 17200 *et seq.* (Unfair and Unlawful Business Practices); and (10) Violation of California Labor Code Sections 2698 *et seq.* (California Labor Code Private Attorneys General Act of 2004).

16. On October 18, 2024, the *Hale* PAGA Action was dismissed without prejudice.

17. On October 28, 2024, the *Hernandez* Action was dismissed without prejudice.

18. On October 30, 2024, the *Gilbert* Action was dismissed without prejudice.

19. On November 22, 2024, the Parties executed the Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement” or “Settlement Agreement”). A true and correct copy of the Settlement Agreement is attached hereto as **Exhibit D**.

Summary of the Terms of the Settlement Agreement

20. For purposes of settlement only, the Parties have agreed that the Class shall be defined as “all current and former hourly-paid and/or non-exempt employees who worked for Defendants in the State of California at any time during the Class Period” (“Class Members” or “Class”). The Class will not include any person who previously settled or released any of the claims covered by the Settlement, or any person who previously was paid or received awards through civil or administrative actions for the claims covered by the Settlement. The Class Period is defined as the period from April 30, 2019 through September 29, 2024, subject to Paragraph 17(c)(ix) of the Settlement Agreement. Based on information provided by Defendants, it is estimated that there are a total of one thousand seven hundred and seventy-one (1,771) Class Members.

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1 21. The Parties have agreed to settle the class and PAGA claims at issue in the Operative
2 Complaint for a non-reversionary Maximum Settlement Amount of Six Million Six Hundred Seventy-
3 Five Thousand Dollars and Zero Cents (\$6,675,000.00), exclusive of employer-side payroll taxes. The
4 Maximum Settlement Amount is a common fund and therefore includes all requested costs, fees, and
5 other allocations. The Maximum Settlement Amount includes: (1) Class Counsel’s fees in the amount
6 of thirty-five percent (35%) of the Maximum Settlement Amount (i.e., \$2,336,250.00 if the Maximum
7 Settlement Amount is \$6,675,000.00); (2) Class Counsel’s actual litigation costs and expenses, not to
8 exceed Twenty-Two Thousand Dollars and Zero Cents (\$22,000.00); (3) Settlement Administration
9 Costs, not to exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00); (4) Enhancement Awards
10 in the aggregate amount of Thirty Thousand Dollars and Zero Cents (\$30,000.00); and (5) PAGA
11 Amount in the amount of Four Hundred Thousand Dollars and Zero Cents (\$400,000.00). After the
12 above-estimated amounts are deducted from the Maximum Settlement Amount, the Net Settlement
13 Amount that will be available for Class Members is currently estimated to be Three Million Eight
14 Hundred Sixty-Six Thousand Seven Hundred Fifty Dollars and Zero Cents (\$3,866,750.00).
15 Additionally, 25% of the PAGA Amount (“PAGA Member Amount”), which is \$100,000.00 out of
16 \$400,000.00 will be fully distributed to all current and former hourly-paid and/or non-exempt
17 employees who worked for Defendants in the State of California at any time during the PAGA Period
18 (“PAGA Members”). The “PAGA Period” is defined as the period from July 3, 2023 through
19 September 29, 2024, subject to Paragraph 17(c)(ix) of the Settlement Agreement.

20 22. Defendants represented that the Class Members worked 116,144 workweeks from
21 April 30, 2019 to July 31, 2024. The Parties agree that if the total number of workweeks from April
22 30, 2019 to September 29, 2024 increases by more than ten percent (10%) above 116,144 workweeks
23 (i.e., to greater than 127,758 workweeks), then the Maximum Settlement Amount will increase by the
24 proportional amount for the percentage of workweeks above ten percent (10%) (i.e., by the percentage
25 of workweeks above 127,758 workweeks). Additionally, Defendants have the option to end the Class
26 Period and PAGA Period on the date the Court grants preliminary approval of the Settlement, however,
27 should Defendants choose this option, Defendants agree that the Maximum Settlement Amount will
28 increase by the proportional amount for the percentage of workweeks above the number of workweeks

1 that existed as of September 29, 2024. Defendants must make such election within five (5) business
2 days after the Settlement Administrator first provides the Parties with the number of total workweeks
3 that existed on the date the Court grants preliminary approval of the Settlement.

4 23. The Net Settlement Amount will be distributed and paid to all Class Members who do
5 not submit a timely and valid Request for Exclusion (“Settlement Class Members”) on a *pro rata* basis
6 based on the number of weeks each Class Member worked for Defendants as an hourly-paid and/or
7 non-exempt employee in California during the Class Period (“Workweeks”). In order to be counted
8 as a Workweek, the Class Member must have worked at least one day in that week. Each Class
9 Member’s *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) will be
10 calculated by the Settlement Administrator, in accordance with the Settlement Agreement.

11 24. The PAGA Member Amount will be distributed and paid to all PAGA Members on a
12 *pro rata* basis based on the number of weeks each PAGA Member worked for Defendants as an
13 hourly-paid and/or non-exempt employee in California during the PAGA Period (“PAGA
14 Workweeks”). In order to be counted as a PAGA Workweek, the PAGA Member must have worked
15 at least one day in that week. Each PAGA Member’s *pro rata* share of the PAGA Member Amount
16 (“Individual PAGA Payment”) will be calculated by the Settlement Administrator, in accordance with
17 the Settlement Agreement.

18 25. Each Individual Settlement Share will be allocated as one-third (1/3) wages and two-
19 thirds (2/3) penalties, interest, and non-wage damages. The portion allocated to wages will be reported
20 on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be
21 reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The Settlement
22 Administrator will withhold the employee’s share of taxes and withholdings with respect to the wages
23 portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their
24 net payment of their Individual Settlement Share (“Individual Settlement Payment”). The employers’
25 share of taxes and withholdings on the wages portion of the Individual Settlement Shares will be paid
26 by Defendants separately and in addition to the Maximum Settlement Amount. Each Individual
27 PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an
28 IRS Form 1099 (if applicable) by the Settlement Administrator.

1 26. The Settlement Agreement is a non-reversionary and non-claims made settlement. The
2 Net Settlement Amount will be fully distributed to Settlement Class Members and the PAGA Amount
3 will be fully distributed to the LWDA and PAGA Members, in accordance with the Settlement
4 Agreement. No money will revert to Defendant.

5 27. Each Individual Settlement Payment and Individual PAGA Payment check will be
6 valid and negotiable for one hundred and eighty (180) calendar days from the date the checks are
7 issued, and thereafter, shall be canceled. The Settlement Administrator will send one (1) reminder
8 postcard to all Settlement Class Members and PAGA Members who have not cashed their Individual
9 Settlement Payment or Individual PAGA Payment check within thirty (30) calendar days prior to the
10 180-day deadline. Any funds associated with canceled checks will be distributed by the Settlement
11 Administrator after the 180-day deadline to California Rural Legal Assistance, Inc. (the proposed *cy*
12 *pres*) pursuant to California Code of Civil Procedure section 384(b). The Parties and their counsel
13 each represent that they do not have any financial interest in, or otherwise have a relationship with,
14 the proposed *cy pres* recipient that could create a conflict of interest.

15 **The Settlement is Reasonable**

16 ***Informed Arms-Length Negotiations***

17 28. The Parties' settlement negotiations were at all times made at arm's-length and were
18 adversarial. The Settlement was reached following a full day of mediation with a highly respected
19 mediator with substantial experience mediating wage and hour cases, and Plaintiffs engaged in
20 additional negotiations in order to finalize the long-form agreement presently before the Court.

21 29. The Parties engaged in extensive informal discovery prior to reaching a settlement.
22 Prior to mediation, Defendants produced a random sampling of putative class members' time and pay
23 data as well as Defendants' relevant wage and hour policies, and information regarding the total
24 number of putative class members, the number of current versus former employees, the total
25 workweeks worked by the putative class members, and the average rate of pay for the putative class
26 members.

27 30. This allowed Class Counsel to conduct an informed assessment and analysis of the
28 strengths and weaknesses of the claims and the potential class-wide damages.

1 31. Based on the information exchanged, the Parties extensively briefed issues regarding
2 class certification and liability and provided their analyses to the Mediator who helped the Parties
3 debate the strengths and weakness of their respective positions.

4 ***Estimate of Potential Value of Claims***

5 32. My office analyzed all available data and estimated Defendants' maximum potential
6 exposure to be approximately \$30,686,567, assuming the litigation was successful at trial on all claims
7 at issue and every employee had a violation for each claim on every shift worked. This maximum
8 potential analysis was then reduced based on the challenges facing the likelihood of obtaining class
9 certification, prevailing at trial, and other attendant risks. This estimate is based off an estimated
10 maximum liability for all claims at issue and the total aggregate workweeks during the relevant time
11 period, less interest, and based on the analysis of the data which was extrapolated out for all class
12 members across the entire putative class period, which included: \$2,491,207 for meal period violations
13 (less meal period premiums paid); \$15,154,298 for rest period violations at a 100% violation rate;
14 \$376,023 for unpaid on-call wages; \$3,301,585 for unpaid off-the-clock work for 1 hour per workweek
15 of off-the-clock work; \$476,617 for unpaid overtime wages at the required regular rate of pay;
16 \$208,898 for unpaid meal break premiums and sick pay at the required regular rate of pay; \$3,764,309
17 for waiting time penalties; \$4,045,850 for wage statement penalties; and \$867,780 for unreimbursed
18 business expenses. Plaintiffs further estimated that Defendants faced an additional exposure of
19 \$4,118,300 in potential, non-stacked (i.e., one penalty, per employee, per pay period during the PAGA
20 statutory period) PAGA penalties. Together with the PAGA penalties, Defendants' maximum
21 potential exposure totaled \$34,804,867 in damages.

22 ***Specific Risks Considered***

23 33. Although the investigation and information discovered supports Plaintiffs' contentions,
24 Defendants raised potential defenses and other circumstances that impacted the risk of proceeding on
25 a class-wide basis. Consideration of these risks factored into the negotiations and the decision to enter
26 the Settlement.

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1 34. My colleagues and I were aware of Defendants’ defenses and arguments and have also
2 taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and
3 delays inherent in such litigation, including those involved in class and/or representative adjudication.
4 Plaintiffs further recognize the burdens of proof necessary to establish liability for the claims asserted
5 in the Action, Defendants’ defenses, and the difficulties in establishing entitlement to monetary
6 recovery. Plaintiffs have also considered the Parties’ settlement discussions, as well as the evaluations
7 of the Mediator, who is experienced and well-regarded in complex labor and employment matters.

8 35. Defendants denied and continue to deny any liability and wrongdoing of any kind
9 associated with the claims alleged in the Action, and further deny that class certification is appropriate
10 for any purpose other than the Settlement. Defendants believe that they would ultimately prevail in
11 the Action. Defendants proffered defenses to both certification and to the merits of Plaintiffs’ claims.
12 Defendants contended that Plaintiffs’ claims are not suitable for class certification because individual
13 issues would predominate should this case go to trial. As with all class actions, these complex cases
14 raise difficult management and proof issues and, accordingly, there is a significant risk that the Court
15 may deny class certification.

16 36. For example, Plaintiffs’ meal period claims, which were based on Defendants’ alleged
17 failure to provide lawful meal periods, have been increasingly difficult to certify in recent years.
18 Plaintiffs’ theory of liability for meal period violations was based on allegations that Defendants had
19 failed to implement their policies and that their practices failed to allow Class Members to take meal
20 breaks in the manner required under California law. Plaintiffs’ analysis of the time data revealed that
21 only 16.5% (net of meal period premiums paid) of all shifts showed at least one unique meal period
22 violation. Defendants contended that their policies and practices at all times during the Class Period
23 were lawful. Defendant further argued that the rate of purported meal period violations reflected in
24 the data would require individualized inquiry and that such inquiry would prohibit a class from being
25 certified. We also had to consider the risk that the Court would find validity in the individualized
26 proof defense to certification of Plaintiffs’ meal period claim.

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1 37. Additionally, a large portion of Defendants’ overall liability lies in Plaintiffs’ rest
2 period allegations. As with the meal period allegations, Defendants contended that they had a lawful
3 written rest period policy, provided compliant rest breaks, and relieved Class Members of all duties as
4 required under California law. Additionally, this claim was even more uncertain given the difficulties
5 associated with proving the alleged rest period violations, as Defendants were not required to record
6 these breaks. Given the lack of records demonstrating rest period violations, there were legitimate
7 concerns Plaintiffs would not be able to certify these claims or prove substantial damages with
8 requisite certainty, which made the estimated value of this claim subject to much challenge.

9 38. Plaintiffs also faced challenges certifying and proving liability for their minimum wage
10 and overtime claims. These claims were largely based on Defendants’ unrecorded, off-the-clock work
11 performed by the Class Members both before and after their shifts and during purported meal periods.
12 However, the individualized nature of why this work was performed and the individualized nature of
13 damages presented substantial concerns regarding the manageability of the case and the risk the Court
14 could find these issues prevented certification, and the estimated damages for this claim were based
15 on an assumption that all Class Members worked off the clock for at least one hour per week.

16 39. There are also substantial risks associated with Plaintiffs’ waiting time penalties and
17 wage statement claims. First, these claims were derivative of Plaintiffs’ claims for unpaid meal period
18 premiums, unpaid rest period premiums, unpaid minimum wages, and unpaid overtime wages, and if
19 certification was denied on those underlying claims, these derivative claims for penalties would also
20 likely fail. Further, even if Plaintiffs prevailed on their underlying claims, they would still be required
21 to demonstrate that Defendants’ violations of California Labor Code section 203 were *willful*
22 violations. Wage statement claims have also seen varying treatment at the appellate level because
23 such claims have an element of discretion attached to them rather than a pure calculation of damages
24 after liability is proven. Accordingly, these derivative claims, which comprised a substantial portion
25 of Defendants’ estimated liability, were therefore uncertain.

26 40. My office also recognized that, even if Plaintiffs prevailed at class certification, proving
27 the amount of wages due to each Class Member would be an expensive, time-consuming, and
28 extremely uncertain proposition. In order to prove liability and damages, my office will need to

1 request and analyze thousands of pages of documents, obtain the Class Members' contact information,
2 contact them, and obtain declarations at great expense. Obtaining the cooperation of current
3 employees would also be difficult, given the likely reluctance to aid prosecution of a lawsuit against a
4 current employer. On the other hand, Defendants would likely be able to obtain the cooperation of
5 their employees. Moreover, even if Plaintiffs prevailed at class certification and trial, possible appeals
6 would substantially delay any recovery by the Class.

7 41. Therefore, taking into account how each of the above risks potentially effected
8 Plaintiffs' ability to first obtain class certification, and then prove the underlying violations, plus the
9 cost and delay in recovering the alleged potential damages, Class Counsel discounted Defendants'
10 estimated liability based on the challenges facing their ability to succeed on class certification by 60%
11 to \$13,921,947. The merits-based risk factors further reduced Defendant's estimated liability by an
12 additional 50%. This resulted in an adjusted estimated liability of \$6,960,973. In light thereof, the
13 settlement amount of \$6,675,000 is a significant settlement.

14 42. My office also separately contemplated the risks of proceeding with the PAGA claim
15 and potential liability Defendants could face from this claim as part of the global resolution. Existing
16 case law makes PAGA claims subject to the same defenses and risks as Plaintiffs' underlying wage
17 claims. We also anticipated that even if successful on the merits at trial, the imposition of cumulative
18 civil penalties based on the alleged wage and hour violations could be considered unjust, arbitrary and
19 oppressive, or confiscatory, and that Defendants would argue that they made a good faith attempt to
20 comply with their legal obligations warranting a reduction in penalties. Finally, we were also mindful
21 of the fact that PAGA is fundamentally not intended to be compensatory in nature but is instead
22 intended to facilitate enforcement of California's labor laws by financing state activities and educating
23 and deterring non-compliance.

24 43. Therefore, after considering this multitude of factors, we concluded that it was in the
25 best interest of the State of California and the PAGA Members to enter into the Settlement, and to
26 allocate Four Hundred Thousand Dollars and Zero Cents (\$400,000.00) of the Maximum Settlement
27 Amount towards the PAGA claim, which represents approximately 6% of the Maximum Settlement
28 Amount. This percentage of the settlement is well-within the range of wage and hour settlements

regularly approved in both state and federal court for cases that include both a class and PAGA action. Typically, such hybrid cases allocate only 1% of the gross settlement value to resolve PAGA claims, and, indeed, settlements allocations as little as 0.22% of the Maximum Settlement Amount have been approved as reasonable by courts. Moreover, the overall relief obtained by the Settlement is significant, not only from a monetary perspective, but also because it fulfills the public policy objectives of PAGA—to promote enforcement of California’s labor laws, provide funds to the state, and deter future non-compliance by the employer.

44. I therefore submit that the Settlement is fair, reasonable, and adequate. The Settlement is in the best interest of the Class Members, the PAGA Members, and the State of California and is within the accepted range of recoveries for this type of litigation given the inherent risk of litigation, the risk of obtaining and maintaining class certification, and the costs of further litigation.

Enhancement Awards

45. As part of the Settlement Agreement, Plaintiffs are requesting reasonable Enhancement Awards of Ten Thousand Dollars and Zero Cents (\$10,000.00) each to Plaintiffs (total, \$30,000.00). These Enhancement Awards are eminently reasonable given the time and effort Plaintiffs spent on this matter, and the benefit to the Class Members as a result of Plaintiffs’ actions. Notice of the requested Enhancement Awards are disclosed to the Class Members in the Class Notice.

Attorneys’ Fees and Costs

46. The attorneys’ fees incurred by Class Counsel are in line with the common fund requested. The Settlement Agreement provides for Class Counsel to apply for attorneys’ fees in an amount of up to thirty-five percent (35%) of the Maximum Settlement Amount (i.e., \$2,336,250.00 if the Maximum Settlement Amount is \$6,675,000.00) and actual litigation costs and expenses in an amount not to exceed Twenty-Two Thousand Dollars and Zero Cents (\$22,000.00), which will be paid out of the Maximum Settlement Amount, subject to approval by the Court. Class Counsel has borne all of the risks and costs of litigation and will not receive any compensation until recovery is obtained.

47. The effectiveness of Blackstone Law, APC’s prosecution of this matter has translated into tangible monetary benefits as follows: (1) Class Members, the State of California, and PAGA Members will obtain monetary recovery over a relatively short period of time, as opposed to waiting

1 additional years for the same, or potentially worse, result; (2) a guaranteed result that compares
2 favorably with other similar class action settlements of this type, given the strengths and weaknesses
3 of the case; and (3) significant savings in Class Counsel's fees and/or costs that would have only
4 increased significantly had the case progress through certification, trial, and/or upon appeal.

5 48. Class Counsel has litigated this matter for over a year and was actively preparing this
6 matter for class certification and trial. The Motion for Final Approval will elaborate on the nature of
7 the legal services provided, the time incurred in performing those services, and Class Counsel's hourly
8 rates. The Motion for Final Approval will also elaborate on the reimbursement costs sought by Class
9 Counsel. Notice of the requested Attorneys' Fees and Costs is disclosed to the Class Members in the
10 Class Notice.

11 ***Notice to the Class***

12 49. The Parties have agreed to retain ILYM Group, Inc. ("ILYM" or "Settlement
13 Administrator") to handle the notice and settlement administration process. The Parties respectfully
14 request that the Court appoint ILYM to handle these procedures and to serve as the Settlement
15 Administrator. Defendants will provide ILYM with the Class Member Information and ILYM will
16 calculate each Class Member's estimated Individual Settlement Share and each PAGA Member's
17 estimated Individual PAGA Payment. ILYM will also receive and process Requests for Exclusion,
18 Notices of Objection, and Workweek Disputes; will provide necessary reports and declarations; will
19 calculate, subtract, and transmit necessary taxes and withholdings with respect to the wages portion of
20 the Individual Settlement Shares; will prepare and submit informational and other tax filings and
21 documents; will issue and transmit all payments provided for by the Settlement, including, but not
22 limited to, mailing Individual Settlement Payment checks to the Settlement Class Members and
23 Individual PAGA Payment checks to the PAGA Members; and perform any other usual and customary
24 duties for administering a class action settlement.

25 50. I am not aware of an alternative method of providing notice to the Class which would
26 result in a higher likelihood of actual notice. The original source of the mailing addresses is from each
27 Class Member, who provided the information to Defendants. As a fail-safe to this highly reliable
28 method, skip tracing will be performed, if necessary.

51. ILYM provided my firm with its quote stating its cost to administer the Settlement is estimated to be Fourteen Thousand Six Hundred Fifty Dollars and Zero Cents (\$14,650.00), which is based on an estimate of one thousand and eight hundred (1,800) putative class members. However, due to the potential increase in Class Members pursuant to Defendants' option to end the Class Period and PAGA Period on the date the Court grants preliminary approval of the Settlement (i.e., the Escalator Clause), the Parties have agreed to allocate up to Twenty Thousand Dollars and Zero Cents (\$20,000.00) for the Settlement Administration Costs in the Settlement Agreement in case the Settlement Administrator's costs increase.

Notice of Settlement to the LWDA

52. In accordance with California Labor Code section 2699(1)(2) and concurrently with the filing of this Motion, a copy of the proposed Settlement was submitted to the LWDA via online submission through the LWDA's website.

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

Executed on December 18, 2024, at Beverly Hills, California

California

Jonathan M. Genish

EXHIBIT A

- *Corina Martinez v. Stagnaro Bros. Seafood, Inc.*, Santa Cruz County Superior Court, Case No. 24CV00082, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alejandra Jimenez v. ClearFreight, Inc.*, Los Angeles County Superior Court, Case No. 23STCV28938, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Jazzmin Cortez v. Millard Mall Services, Inc.*, Riverside County Superior Court, Case No. CVRI2104010, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Michael Bravo v. Michels Pacific Energy, Inc.*, Santa Clara County Superior Court, Case No. 22CV403427, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Theresa Bendorf, et al. v. Sea World LLC, et al.*, San Diego County Superior Court, Case No. 37-2021-00034922-CU-OE-CTL, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Victor De La Cruz v. Northwest Pipe Company*, San Bernardino County Superior Court, Case No. CIVSB2211140, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Bobby Birdi v. Lucid USA, Inc.*, Alameda County Superior Court, Case No. 21CV003541, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Jose Trujillo, et al. v. Producers Dairy Foods, Inc.*, Sacramento County Superior Court, Case No. 34-2022-00313753, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *David Williams v. Rancho Nicasio, LLC*, Marin County Superior Court, Case No. CIV2203067, approved as class counsel in final settlement of wage and hour class

and PAGA action.

- *Alexander Jackson v. Lifecare Assurance Company*, Los Angeles County Superior Court, Case No. 23STCV26579, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alexis Cardoza v. BHFC Operating LLC*, Los Angeles County Superior Court, Case No. 21STCV34040, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Maria Ayala, et al. v. SDH Services West, LLC*, Kern County Superior Court, Case No. BCV-21-101933, approved as class counsel in final settlement of wage and hour class action.
- *Alfredo Sanchez v. Greenworld, Inc.*, Riverside County Superior Court, Case No. CVRI2105756, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Oscar Bryant v. Midwest Construction Services, Inc. dba Trillium*, San Bernardino County Superior Court, Case No. CIVSB2121529, approved as class counsel in final settlement of wage and hour class action.
- *Matthew Savattieri v. AMI Expeditionary Healthcare, LLC, et al.*, Los Angeles County Superior Court, Case No. 21STCV33372, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Lexy Barajas, et al. v. H. W. Hunter, Inc.*, Los Angeles County Superior Court, Case No. 22STCV01892, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alejandro Valdez v. C.H.I. Automart, Inc.*, Los Angeles County Superior Court, Case No. 21STCV40168, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sheizan Bawa v. Meathead Movers, Inc.*, Orange County Superior Court, Case No. 30-2021-01211895-CU-OE-CXC, approved as counsel in settlement of

representative wage and hour action pursuant to PAGA.

- *Tanisha Lopez, et al. v. Restorix Health, Inc.*, Los Angeles County Superior Court, Case No. 21STCV33067, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Perla Soto, et al. v. Nippon Express U.S.A., Inc.*, Los Angeles County Superior Court, Case No. 21STCV24902, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Angel Garcia, et al. v. J&B Investments, Inc., et al.*, San Bernardino County Superior Court, Case No. CIVSB2208601, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Sindy Aviles, et al. v. Freeway Insurance Services America, LLC*, Los Angeles County Superior Court, Case No. 21STCV34864, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Alexander Gnaedig, et al. v. Favorite Healthcare Staffing, Inc.*, Los Angeles County Superior Court, Case No. 21STCV20904, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Richard Evans v. My Paint Stop, LLC, et al.*, Contra Costa County Superior Court, Case No. MSC21-01812, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Jose Luis Parada George v. Main Electric Supply Company, LLC, et al.*, Orange County Superior Court, Case No. 30-2021-01220136-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Samia Salazar Yunis v. Sharif Jewelers*, Sacramento County Superior Court, Case No. 34-2020-00290080, approved as class counsel in final settlement of wage and hour class and PAGA action.

- *Daniel Analco v. Felix Chevrolet, LP, et al.*, Los Angeles County Superior Court, Case No. 21STCV36654, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sasha Aiono v. Benefit Cosmetics*, Los Angeles County Superior Court, Case No. 21STCV33719, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

EXHIBIT B

June 30, 2023

PAGA Claim Notice Via Online Electronic Submission

California Labor & Workforce Development Agency

800 Capitol Mall, Suite 5000 (MIC-55)

Sacramento, CA 95814

<https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>

RE: *Djuana Shanella Hale v. Welbe Health, LLC and Stockton PACE, LLC*

Dear Representative:

This office represents Djuana Shanella Hale (“Claimant”) with respect to her claims under the California Labor Code against Welbe Health, LLC and Stockton PACE, LLC (including any and all affiliates, subsidiaries, parents, directors, and officers thereof) (collectively referred to herein as “Employers”). This letter is being sent simultaneously to Employers by certified mail.

Employers employed Claimant from approximately January 2019 to February 2023 as a non-exempt, hourly-paid employee. During her employment with Employers, Claimant was employed as a Nightly Navigator Licensed Vocational Nurse (“LVN”), based out of 582 E. Harding Way, Stockton, CA 95304.

Claimant intends to bring a representative action seeking penalties for violations of the California Labor Code which are recoverable under the Labor Code Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”). Claimant is seeking penalties on behalf of himself and in a representative capacity on behalf of the State of California and all current and former hourly-paid and/or non-exempt employees who worked for Employers in the State of California during the relevant statutory period (“Aggrieved Employees”). This letter is being sent in compliance with California Labor Code section 2699.3 and shall serve as Claimant’s notice of the provisions of the California Labor Code alleged to have been violated, including the facts and theories in support thereof.

As detailed below, Employers violated several of California’s wage and hour laws during Claimant’s employment, including but not limited to California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the Industrial Welfare Commission Wage Orders (“IWC Wage Order”) including, *inter alia*, IWC Wage Order No. 4-2001. The claims made on behalf of Claimant and Aggrieved Employees are based upon the following facts and theories:

1. FAILURE TO PAY FOR ALL TIME WORKED AT CORRECT RATES OF PAY, INCLUDING MINIMUM WAGES, STRAIGHT TIME WAGES, AND OVERTIME COMPENSATION

Employers have engaged in numerous unlawful practices which resulted in the failure to pay Claimant and other Aggrieved Employees for all time worked at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation.

California Labor Code sections 1194, 1197, and 1197.1 and IWC Wage Order No. 4-2001 require employers to pay at least the legal minimum wage to their employees. California Labor Code sections 510 and 1198 and IWC Wage Order No. 4-2001 further require employers to pay no less than one and one-half times the regular rate of pay of the employee for hours worked in excess of eight (8) hours in one workday, for hours worked in excess of forty (40) hours in one workweek, and for the first eight (8) hours worked on the seventh day of work in any one workweek, and to pay no less than twice the regular rate of pay of the employee for hours worked in excess of twelve (12) hours in one workday and for any work in excess of eight (8) hours on any seventh day of a workweek.

Throughout the relevant time period, Employers regularly required Claimant and other Aggrieved Employees to perform work off-the-clock. This off-the-clock work included, amongst other things, requiring Claimant and other Aggrieved Employees, during purported meal periods, to provide nursing care to patients, such as delivering and administering medication, checking blood pressure, and scheduling home transport. Employers failed to compensate Claimant and other Aggrieved Employees for any of this off-the-clock work, in violation of California law.

In addition, Employers utilized time rounding practices that resulted in the systematic underpayment of wages (including minimum wages, straight time wages and overtime wages) to Claimant and Aggrieved Employees.

Employers also failed to accurately record the actual time worked by Claimant and Aggrieved Employees. Moreover, the uncompensated work described herein was often performed when Claimant and other Aggrieved Employees had already worked eight (8) hours in a day and/or forty (40) hours in week resulting in a failure to pay overtime compensation. Finally, Employers failed to pay overtime to Claimant and Aggrieved Employees for all overtime hours worked based on regular rates of pay correctly calculated to include all applicable remuneration, including non-discretionary commissions, non-discretionary bonuses, and non-discretionary performance pay.

As a result of the foregoing practices, Employers have failed to pay Claimant and other Aggrieved Employees for all wages earned at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation. Accordingly, Employers violated IWC Wage Order No. 4-2001 and California Labor Code sections 204, 510, 1194, 1197, 1197.1 and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph 20(A) of IWC Wage Order No.

4-2001; penalties pursuant to California Labor Code sections 558, 1197.1, and 1199; and attorneys' fees and costs.

2. FAILURE TO PROVIDE MEAL PERIODS AND PAY MEAL PERIOD PREMIUMS

California law requires employers to provide employees with an opportunity to take an uninterrupted meal period of no less than thirty (30) minutes before the end of the fifth hour of work when an employee works more than five (5) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). A second meal period of no less than thirty (30) minutes must be provided before the end of the tenth hour of work when an employee works more than ten (10) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). When an employer fails to provide a meal or rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

During the relevant time period, Employers failed to provide Claimant and other Aggrieved Employees with legally-compliant 30-minute meal periods. Claimant and other Aggrieved Employees were required by Employers to work more than five (5) hours per day, but were not provided with uninterrupted 30-minute meal periods. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted 30-minute meal period when they worked over ten (10) hours per day. Employers regularly required Claimant and other Aggrieved Employees to work through their first and second meal periods, to take their first meal period after their fifth (5th) hour of work, and/or to take their second meal periods after their tenth (10th) hour of work. Meal periods, when provided, were oftentimes interrupted or cut short.

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely, complete and duty-free meal periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of meal periods or systematically disregarded its own purported meal period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant meal period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free meal periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant meal periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free meal periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during meal periods; and (7) Employers' policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free meal periods because of the priority placed on maximizing profits over employees' right to receive timely, uninterrupted, and duty-free meal periods.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the meal periods which were not provided to them in compliance with

California law.

Accordingly, Employers violated IWC Wage Order No. 4-2001 and California Labor Code sections 226.7, 512(a) and 1198.

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph 20(A) of IWC Wage Order No. 4-2001; penalties pursuant to California Labor Code sections 558 and 1199; and attorneys' fees and costs.

3. FAILURE TO AUTHORIZE AND PERMIT REST PERIODS AND PAY REST PERIOD PREMIUMS

California law requires employers to authorize and permit employees to take an uninterrupted rest period of no less than ten (10) minutes must for every four (4) hours, or major fraction thereof, worked. Cal. Lab. Code § 226.7. When an employer fails to authorize and permit a rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

Employers failed to authorize and permit Claimant and other Aggrieved Employees to take legally-compliant 10-minute rest periods. Employers required Claimant and other Aggrieved Employees to work through rest periods. Claimant and Aggrieved Employees were not provided with uninterrupted, duty-free rest periods when they worked more than four (4) hours or a major fraction thereof. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted, duty-free rest period when they worked more than six (6) hours in a day, or a third uninterrupted, duty-free rest period after working more than ten (10) hours in day. In the rare event that a rest period was taken, it was frequently interrupted or cut short. Moreover, Claimant and other Aggrieved Employees were not completely relieved of duty as required by *Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257 (2016).

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely and complete rest periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of rest periods or systematically disregarded its own purported rest period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant rest period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free rest periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant rest periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free rest periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times,

including during rest periods; and (7) Employers' policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free rest periods because of the priority placed on completing job requirements over employees' right to receive rest periods.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the rest periods which were not provided to them in compliance with California law.

Accordingly, Employers violated IWC Wage Order No. 4-2001 and California Labor Code sections 226.7, and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph 20(A) of IWC Wage Order No. 4-2001; California Labor Code sections 558 and 1199 penalties; and attorneys' fees and costs.

4. FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Employers have failed to timely pay all wages earned because Claimant and other Aggrieved Employees were not paid all the wages they were owed including, *inter alia*, overtime compensation, straight time wages, minimum wages, and meal and rest period premiums. Accordingly, Employers violated California Labor Code section 204(a).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; and attorneys' fees and costs.

5. FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

California Labor Code section 226(a) requires an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, *inter alia*, (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number

or an employee identification number other than a social security number, and (8) the name and address of the legal entity that is the employer.

As a result of the practices described herein, the wage statements provided to Claimant and other Aggrieved Employees failed to include the actual hours worked (including time spent working off-the-clock), the actual gross wages earned (including wages owed for time spent working off the clock and meal and rest period premiums), and the correct rates of pay. The wage statements provided to Claimant and other Aggrieved Employees also failed to include the name of the legal entity that employed Claimant and the Aggrieved Employees. Accordingly, Employers violated California Labor Code section 226(a).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to California Labor Code section 226.3; and attorneys' fees and costs.

6. FAILURE TO MAINTAIN ACCURATE RECORDS

California Labor Code section 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than two years. During the relevant time period, Employers have failed to maintain accurate records relating to Claimant and other Aggrieved Employees' work periods, meal periods, total daily hours worked, and total hours worked per payroll period. Accordingly, Employers violated IWC Wage Order No. 4-2001 and California Labor Code sections 1198.5 and 1174(d).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph 20(A) of IWC Wage Order No. 4-2001; California Labor Code section 1174.5 penalties; and attorneys' fees and costs.

7. FAILURE TO REIMBURSE NECESSARY EXPENDITURES

California Labor Code sections 2800 and 2802 require an employer to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. IWC Wage Order No. 4-2001 requires employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Claimant and Aggrieved Employees incurred necessary business-related expenses and costs that were not fully reimbursed by Employers. These costs include but are not limited to the usage of personal cellphones and laptop for work-related purposes.

Accordingly, Employers violated IWC Order No. 4-2001 and California Labor Code sections 2800 and 2802. Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph 20(A) of IWC Wage Order No. 4-2001; and attorneys' fees and costs.

8. FAILURE TO TIMELY PAY ALL WAGES UPON TERMINATION OF EMPLOYMENT

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

During the relevant time period, upon the termination of employment (including but not limited to when they were temporarily laid off, laid off, discharged, and/or resigned), Aggrieved Employees were not paid all wages due to them within twenty-four (24) hours or even within seventy-two (72) hours for those who resigned. Specifically, as a result of Employers' practices of requiring Aggrieved Employees to work off-the-clock without compensation, failing to pay proper overtime compensation, unlawful rounding practices, failure to properly calculate regular rates, and failure to accurately record all hours actually worked, Employers failed to pay Aggrieved Employees for all straight time wage, minimum wages and overtime compensation owed to them upon termination of their employment. Employers also failed to pay Aggrieved Employees for meal period premiums and rest period premiums they were owed, amongst other wages. Accordingly, Employers violated California Labor Code sections 201 and 202.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to California Labor Code sections 203 and 1199; and attorneys' fees and costs.

Employers are in direct violation of numerous California wage and hour laws including but not limited to said sections stated above. We hereby provide notice under the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698, et seq., and specifically ask for an investigation, or if the agency does not intend to investigate the alleged violations, a letter confirming the same so that we may allege a cause of action under PAGA against Employers for the violations discussed in this letter.

This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3. By law, an employee alleging a violation of one of the above referenced sections must notify his or her employer and the Labor and Workforce Development Agency (LWDA) before he or she can invoke the provisions of Sections 2699, et seq., by seeking redress in court. Cal. Lab.

Code § 2699.3(a)(1). The LWDA must then notify the employer and the employee within 60 calendar days regarding whether it intends to investigate the alleged violation. Cal. Lab. Code § 2699.3(a)(2)(B). If the LWDA advises it will not investigate, or if no notice is provided within 65 calendar days, the employee may file a lawsuit invoking the provisions under Labor Code § 2699. Cal. Lab. Code § 2699.3(a)(2)(A). It is Claimant's intention to file a civil complaint and to bring the appropriate claims under California Labor Code § 2699 on behalf of themselves, the State of California and all Aggrieved Employees should your office not address Employers' alleged violations within this time.

If you have any questions or require additional information, please do not hesitate to contact my office. Thank you for your attention to this matter.

BLACKSTONE LAW

Miriam Schimmel

Miriam Schimmel, Esq.

cc: By U.S. Certified Mail, Return Receipt Requested

Welbe Health, LLC
440 N. Barranca Avenue #4051
Covina, CA 91723

1505 Corporation CSC - LAWYERS INCORPORATING SERVICE
Agent for Service of Process for Welbe Health, LLC
2710 Gateway Oaks Drive
Sacramento, CA 95833

Stockton PACE, LLC
440 N. Barranca Avenue #4051
Covina, CA 91723

1505 Corporation CSC - LAWYERS INCORPORATING SERVICE
Agent for Service of Process for Stockton PACE, LLC
2710 Gateway Oaks Drive
Sacramento, CA 95833

September 11, 2024

PAGA Claim Notice Via Online Electronic Submission

California Labor & Workforce Development Agency

800 Capitol Mall, Suite 5000 (MIC-55)

Sacramento, CA 95814

<https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>

RE: *Djuana Shanella Hale v. Welbe Health, LLC, et al.*

Dear Representative:

On July 13, 2023, pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* ("PAGA"), our office provided notice to the California Labor and Workforce Development Agency ("LWDA"), Welbe Health, LLC, and Stockton PACE, LLC on behalf of Djuana Shanella Hale ("Claimant") that Claimant intends to bring a representative action seeking penalties for violations of the California Labor Code which are recoverable under PAGA.

We write to you to inform you of Claimant's intent to add Welbe Health PACE, LLC, Welbe Health Bay Area PACE, LLC, WelbeHealth Inland Empire PACE, LLC, Welbe Health San Bernardino PACE, LLC, LA Coast PACE, LLC, Welbe Housecalls, LLC, Sequoia PACE, LLC, Welbe Health HC, NoCal, LLC, and Welbe Health HC SoCal, LLC as named employers in Claimant's PAGA notice.

Welbe Health, LLC, Welbe Health PACE, LLC, Welbe Health Bay Area PACE, LLC, WelbeHealth Inland Empire PACE, LLC, Welbe Health San Bernardino PACE, LLC, LA Coast PACE, LLC, Welbe Housecalls, LLC, Sequoia PACE, LLC, Welbe Health HC, NoCal, LLC, Welbe Health HC SoCal, LLC, and Stockton PACE, LLC (including any and all affiliates, subsidiaries, parents, directors, and officers thereof) are collectively referred to herein as "Employers".

On September 8, 2023, Claimant filed a Complaint for Enforcement Action Under the Private Attorneys General Act, California Labor Code §§ 2698 Et Seq. alleging civil penalties under PAGA against Welbe Health, LLC and Stockton PACE, LLC in the action entitled *Djuana Shanella Hale v. Welbe Health, LLC, et al.*, San Joaquin County Superior Court Case No. STK-CV-UOE-2023-0009670 ("PAGA Action").

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Claimant intends to add Welbe Health PACE, LLC, Welbe Health Bay Area PACE, LLC, WelbeHealth Inland Empire PACE, LLC, Welbe Health San Bernardino PACE, LLC, LA Coast PACE, LLC, Welbe Housecalls, LLC, Sequoia PACE, LLC, Welbe Health HC, NoCal, LLC, and Welbe Health HC SoCal, LLC and all claims alleged in the PAGA Action to Claimant's separate wage and hour class action entitled *Djuana Shanella Hale v. Welbe Health, LLC, et al.*, San Joaquin County Superior Court Case No. STK-CV-UOE-2023-0006866.

Employers employed Claimant from approximately January 2020 to February 2023 as a non-exempt, hourly-paid employee. During her employment with Employers, Claimant was employed as a Nightly Navigator Licensed Vocational Nurse, based out of 582 East Harding Way, Stockton, California 95304.

This letter is being sent simultaneously to Employers by certified mail. Claimant is seeking penalties on behalf of herself and in a representative capacity on behalf of the State of California and all current and former hourly-paid and/or non-exempt employees who worked for Employers in the State of California during the relevant statutory period ("Aggrieved Employees"). This letter is being sent in compliance with California Labor Code section 2699.3 and shall serve as Claimant's notice of the provisions of the California Labor Code alleged to have been violated, including the facts and theories in support thereof.

As detailed below, Employers violated several of California's wage and hour laws during Claimant's employment, including but not limited to California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the Industrial Welfare Commission Wage Orders ("IWC Wage Order") including, *inter alia*, IWC Wage Order No. 4-2001. The claims made on behalf of Claimant and Aggrieved Employees are based upon the following facts and theories:

1. FAILURE TO PAY FOR ALL TIME WORKED AT CORRECT RATES OF PAY, INCLUDING MINIMUM WAGES, STRAIGHT TIME WAGES, AND OVERTIME COMPENSATION

Employers have engaged in numerous unlawful practices which resulted in the failure to pay Claimant and other Aggrieved Employees for all time worked at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation.

California Labor Code sections 1194, 1197, and 1197.1 and IWC Wage Order No. 4-2001 require employers to pay at least the legal minimum wage to their employees. California Labor Code sections 510 and 1198 and IWC Wage Order No. 4-2001 further require employers to pay no less than one and one-half times the regular rate of pay of the employee for hours worked in excess of eight (8) hours in one workday, for hours worked in excess of forty (40) hours in one workweek, and for the first eight (8) hours worked on the seventh day of work in any one workweek, and to pay no less than twice the regular rate of pay of the employee for hours worked in excess of twelve (12) hours in one workday and for any work in excess of eight (8) hours on any seventh day of a

workweek.

Throughout the relevant time period, Employers regularly required Claimant and other Aggrieved Employees to perform work off-the-clock. This off-the-clock work included, amongst other things, requiring Claimant and other Aggrieved Employees, during purported meal periods, to provide nursing care to patients, such as delivering and administering medication, checking blood pressure, and scheduling home transport. Employers failed to compensate Claimant and other Aggrieved Employees for any of this off-the-clock work, in violation of California law.

In addition, Employers utilized time rounding practices that resulted in the systematic underpayment of wages (including minimum wages, straight time wages, and overtime wages) to Claimant and Aggrieved Employees.

Employers also failed to accurately record the actual time worked by Claimant and Aggrieved Employees. Moreover, the uncompensated work described herein was often performed when Claimant and other Aggrieved Employees had already worked eight (8) hours in a day and/or forty (40) hours in week, resulting in a failure to pay overtime compensation. Finally, Employers failed to pay overtime to Claimant and Aggrieved Employees for all overtime hours worked based on regular rates of pay correctly calculated to include all applicable remuneration, including non-discretionary commissions, non-discretionary bonuses, and non-discretionary performance pay.

As a result of the foregoing practices, Employers have failed to pay Claimant and other Aggrieved Employees for all wages earned at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation. Accordingly, Employers violated IWC Wage Order No. 4-2001 and California Labor Code sections 204, 510, 1194, 1197, 1197.1, and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph 20(A) of IWC Wage Order No. 4-2001; penalties pursuant to California Labor Code sections 558, 1197.1, and 1199; and attorneys' fees and costs.

2. FAILURE TO PROVIDE MEAL PERIODS AND PAY MEAL PERIOD PREMIUMS

California law requires employers to provide employees with an opportunity to take an uninterrupted meal period of no less than thirty (30) minutes before the end of the fifth hour of work when an employee works more than five (5) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). A second meal period of no less than thirty (30) minutes must be provided before the end of the tenth hour of work when an employee works more than ten (10) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). When an employer fails to provide a meal or rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

During the relevant time period, Employers failed to provide Claimant and other Aggrieved Employees with legally-compliant 30-minute meal periods. Claimant and other Aggrieved Employees were required by Employers to work more than five (5) hours per day, but were not

provided with uninterrupted 30-minute meal periods. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted 30-minute meal period when they worked over ten (10) hours per day. Employers regularly required Claimant and other Aggrieved Employees to work through their first and second meal periods, to take their first meal period after their fifth (5th) hour of work, and/or to take their second meal periods after their tenth (10th) hour of work. Meal periods, when provided, were oftentimes interrupted or cut short.

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely, complete, and duty-free meal periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of meal periods or systematically disregarded its own purported meal period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant meal period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free meal periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant meal periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free meal periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during meal periods; and (7) Employers' policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free meal periods because of the priority placed on maximizing profits over employees' right to receive timely, uninterrupted, and duty-free meal periods.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the meal periods which were not provided to them in compliance with California law.

Accordingly, Employers violated IWC Wage Order No. 4-2001 and California Labor Code sections 226.7, 512(a), and 1198.

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph 20(A) of IWC Wage Order No. 4-2001; penalties pursuant to California Labor Code sections 558 and 1199; and attorneys' fees and costs.

3. FAILURE TO AUTHORIZE AND PERMIT REST PERIODS AND PAY REST PERIOD PREMIUMS

California law requires employers to authorize and permit employees to take an uninterrupted rest period of no less than ten (10) minutes for every four (4) hours, or major fraction thereof, worked. Cal. Lab. Code § 226.7. When an employer fails to authorize and permit a rest

period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

Employers failed to authorize and permit Claimant and other Aggrieved Employees to take legally-compliant 10-minute rest periods. Employers required Claimant and other Aggrieved Employees to work through rest periods. Claimant and Aggrieved Employees were not provided with uninterrupted, duty-free rest periods when they worked more than four (4) hours or a major fraction thereof. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted, duty-free rest period when they worked more than six (6) hours in a day, or a third uninterrupted, duty-free rest period after working more than ten (10) hours in day. In the rare event that a rest period was taken, it was frequently interrupted or cut short. Moreover, Claimant and other Aggrieved Employees were not completely relieved of duty as required by *Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257 (2016).

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely and complete rest periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of rest periods or systematically disregarded its own purported rest period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant rest period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free rest periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant rest periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free rest periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during rest periods; and (7) Employers' policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free rest periods because of the priority placed on completing job requirements over employees' right to receive rest periods.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the rest periods which were not provided to them in compliance with California law.

Accordingly, Employers violated IWC Wage Order No. 4-2001 and California Labor Code sections 226.7 and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph 20(A) of IWC Wage Order No. 4-2001; California Labor Code sections 558 and 1199 penalties; and attorneys' fees and costs.

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4. FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Employers have failed to timely pay all wages earned because Claimant and other Aggrieved Employees were not paid all the wages they were owed including, *inter alia*, overtime compensation, straight time wages, minimum wages, and meal and rest period premiums. Accordingly, Employers violated California Labor Code section 204(a).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; and attorneys' fees and costs.

5. FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

California Labor Code section 226(a) requires an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, *inter alia*, (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, and (8) the name and address of the legal entity that is the employer.

As a result of the practices described herein, the wage statements provided to Claimant and other Aggrieved Employees failed to include the actual hours worked (including time spent working off-the-clock), the actual gross wages earned (including wages owed for time spent working off the clock and meal and rest period premiums), and the correct rates of pay. The wage statements provided to Claimant and other Aggrieved Employees also failed to include the name of the legal entity that employed Claimant and the Aggrieved Employees. Accordingly, Employers violated California Labor Code section 226(a).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to California Labor Code section 226.3; and attorneys' fees and costs.

6. FAILURE TO MAINTAIN ACCURATE RECORDS

California Labor Code section 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than two years. During the relevant time period, Employers have failed to maintain accurate records relating to Claimant and other Aggrieved Employees' work periods, meal periods, total daily hours worked, and total hours worked per payroll period. Accordingly, Employers violated IWC Wage Order No. 4-2001 and California Labor Code sections 1198.5 and 1174(d).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph 20(A) of IWC Wage Order No. 4-2001; California Labor Code section 1174.5 penalties; and attorneys' fees and costs.

7. FAILURE TO REIMBURSE NECESSARY EXPENDITURES

California Labor Code sections 2800 and 2802 require an employer to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. IWC Wage Order No. 4-2001 requires employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Claimant and Aggrieved Employees incurred necessary business-related expenses and costs that were not fully reimbursed by Employers. These costs include but are not limited to the usage of personal cellphones and laptops for work-related purposes.

Accordingly, Employers violated IWC Order No. 4-2001 and California Labor Code sections 2800 and 2802. Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph 20(A) of IWC Wage Order No. 4-2001; and attorneys' fees and costs.

8. FAILURE TO TIMELY PAY ALL WAGES UPON TERMINATION OF EMPLOYMENT

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

During the relevant time period, upon the termination of employment (including but not limited to when they were temporarily laid off, laid off, discharged, and/or resigned), Aggrieved Employees were not paid all wages due to them within twenty-four (24) hours or even within seventy-two (72) hours for those who resigned. Specifically, as a result of Employers' practices of requiring Aggrieved Employees to work off-the-clock without compensation, failing to pay proper overtime compensation, unlawful rounding practices, failure to properly calculate regular rates, and failure to accurately record all hours actually worked, Employers failed to pay Aggrieved Employees for all straight time wage, minimum wages and overtime compensation owed to them upon termination of their employment. Employers also failed to pay Aggrieved Employees for meal period premiums and rest period premiums they were owed, amongst other wages. Accordingly, Employers violated California Labor Code sections 201 and 202.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to California Labor Code sections 203 and 1199; and attorneys' fees and costs.

Employers are in direct violation of numerous California wage and hour laws including but not limited to said sections stated above. We hereby provide notice under the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698, et seq., and specifically ask for an investigation, or if the agency does not intend to investigate the alleged violations, a letter confirming the same so that we may allege a cause of action under PAGA against Employers for the violations discussed in this letter.

This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3. By law, an employee alleging a violation of one of the above referenced sections must notify his or her employer and the Labor and Workforce Development Agency (LWDA) before he or she can invoke the provisions of Sections 2699, et seq., by seeking redress in court. Cal. Lab. Code § 2699.3(a)(1). The LWDA must then notify the employer and the employee within 60 calendar days regarding whether it intends to investigate the alleged violation. Cal. Lab. Code § 2699.3(a)(2)(B). If the LWDA advises it will not investigate, or if no notice is provided within 65 calendar days, the employee may file a lawsuit invoking the provisions under California Labor Code § 2699. Cal. Lab. Code § 2699.3(a)(2)(A). It is Claimant's intention to file a civil complaint and to bring the appropriate claims under California Labor Code § 2699 on behalf of herself, the State of California, and all Aggrieved Employees should your office not address Employers' alleged violations within this time.

If you have any questions or require additional information, please do not hesitate to contact my office. Thank you for your attention to this matter.

BLACKSTONE LAW

Miriam L. Schimmel
Miriam Schimmel, Esq.

cc: By U.S. Certified Mail, Return Receipt Requested, and E-Mail

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EXHIBIT C

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December 12, 2023

LWDA

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1515 Clay Street, Ste. 801
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(Via Online Submission)

CSC- Lawyers Incorporating Service
Agent for Service of Process

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Re: **Shannon Gilbert v. LA Coast Pace, LLC, et al.**
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Shannon Gilbert ("Ms. Gilbert" or "Employee") to pursue a Labor Code Private Attorneys General Act of 2004 ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against Employee's former employers, LA Coast Pace, LLC, WelbeHealth Bay Area Pace, LLC, WelbeHealth Inland Empire Pace, LLC, and WelbeHealth San Bernardino Pace, LLC ("Employers"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Employers engaged in with respect to Employee and some or potentially all of Employers' Aggrieved Employees.

Ms. Gilbert wishes to pursue this action on behalf of Employee as Aggrieved Employees, on behalf of the State of California, as well as on behalf of some or potentially all other persons who worked for Employers in California as a non-exempt or hourly-paid employee at any time within the applicable statutory period (hereafter, the "Aggrieved Employees").

Employee and the Aggrieved Employees, or some of them, suffered the Labor Code violations described below.

Ms. Gilbert's Employment with Employers

Employers are a full-service care program which helps senior citizens coordinate all preventative, acute, primary, and long-term care services. Employee worked as a quality improvement coordinator. Employee's primary job function was to maintain and implement quality improvement programs. In performing Employee's duties, Employee was regularly required to perform work (off-the-clock), without compensation. Employee was also frequently deprived of an opportunity to take legally compliant meal and rest breaks. Employers failed to provide Employee and other Aggrieved Employees with the meal and rest break premiums they were entitled to under the Labor Code. Additionally, Employee necessarily incurred business-related expenses, but Employers failed to reimburse such business-related expenses. These are just non-exhaustive examples of the facts and theories the Employee asserts, which are described in more detail below.

Employers own/owned and operate/operated an industry, business, and establishment within the State of California. As such and based upon all the facts and circumstances incident to Employers' business in California, Employers are subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission ("IWC"), and the California Business & Professions Code.

Ms. Gilbert is a resident of Hemet, California who worked for Employers in Los Angeles County, California as an hourly-paid, non-exempt employee from approximately June 2022 to approximately September 2023.

During Employee's employment for Employers, Employers paid Employee an hourly wage and classified Employee as non-exempt from overtime. Employers typically scheduled Employee to work at least five days in a workweek and at least eight hours per day, but Employee also worked more than eight hours in a workday and more than forty (40) hours in a workweek.

Throughout Employee's employment, Employers failed to pay for all hours worked (including minimum, straight time, and overtime wages), failed to provide Employee with legally compliant meal periods, failed to authorize and permit Employee to take rest periods, failed to timely pay all final wages to Employee when Employers terminated Employee's employment, failed to furnish accurate wage statements to Employee, failed to indemnify Employee for business expenditures, and failed to timely produce Employee's requested employment records. As discussed below, Employee's experience working for Employers was typical and illustrative.

Failure to Pay for All Hours Worked, Including Minimum, Straight Time, and Overtime Wages

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

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

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the IWC is unlawful.

Throughout the statutory period, Employers at times failed to pay Employee and the Aggrieved Employees, or some of them, for all hours worked, including minimum, straight time, and overtime wages. Employers at times required Employee and the Aggrieved Employees, or some of them, to work “off-the-clock,” uncompensated, by, for example, requiring Employee and the Aggrieved Employees to perform work during uncompensated meal periods and rest periods, and requiring Employee and the Aggrieved Employees to perform work before clocking in and/or after clocking out. Some of this unpaid work should have been paid at the overtime rate. California Labor Code § 510 requires that employers compensate employees 1.5 times their regular rate of pay when employees work over eight hours per day, 40 hours per week, or when employees work up to eight hours on any seventh day of a workweek. Employers at times failed to properly calculate Employee’s regular rate of pay when paying overtime, by failing to include all compensation in Employee’s overtime calculations. In failing to pay for all hours worked, Employers also failed to maintain accurate records of the hours Employee and the Aggrieved Employees, or some of them, worked.

Throughout the statutory period, Employers also engaged, at times, in a practice of improper rounding. Under *Camp v. Home Depot U.S.A., Inc.* (2022) 84 Cal.App.5th 638, because Employers could and did track the exact time in minutes that Employee worked, they must pay for all time worked. When an employer uses an electronic timekeeping system to record time worked, this ability to “precisely capture time worked” means that “the employer must pay the employee for that worktime when due.” (*Id.* at 671.) As a result of Employers’ rounding policy, Employee consistently was not compensated at least minimum wage for all hours that Employee worked.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s). Despite these legal requirements, Employers at times wrongfully failed to provide Employee and the Aggrieved Employees, or some of them, with their legally mandated 30-minute, uninterrupted, and duty-free meal period in a manner required by law (and also including but not limited to failing at times to provide Plaintiff, the Class, and the Aggrieved Employees, or some of them, the opportunity to leave the work premises to take meal periods). Employers also continued to assert control over Employee and the Aggrieved Employees, or some of them, by, among other things, requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Employee and the Aggrieved Employees, or some of them, permission to take a meal period under the conditions required by law, and without properly compensating Employee and the Aggrieved Employees, or some of them, for meal periods that were not provided as required by law. Employers also did not inform Employee of Employee’s right to, nor permitted Employee to take, all of Employee’s second meal periods when Employee worked at least ten hours of work in a workday and otherwise unlawfully pressured Employee to waive such breaks. Accordingly, Employers at times failed to provide meal periods to Employee and the Aggrieved Employees, or some of them, in compliance with California law.

Employee and the Aggrieved Employees, or some of them, are thus entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s). Employers, however, at times failed to pay Employee and the Aggrieved Employees, or some of them, the additional wages to which they were entitled for meal periods that were not provided.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

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

Throughout the statutory period, Employers at times have wrongfully failed to authorize and permit Employee and the Aggrieved Employees, or some of them, to take legally compliant rest periods in a manner required by law (and also including but not limited to failing, at times, to authorize and permit Plaintiff, the Class, and the Aggrieved Employees, or some of them, the opportunity to leave the work premises to take rest periods). Employers at times required Employee and the Aggrieved Employees, or some of them, to work in excess of four consecutive hours a day without Employers' authorizing and permitting Employee to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Employee and the Aggrieved Employees, or some of them, for rest periods that were not authorized or permitted.

Instead, Employers at times continued to assert control over Employee and the Aggrieved Employees, or some of them, by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or at times by denying Employee and the Aggrieved Employees, or some of them, permission to take a rest period. Accordingly, Employers at times failed to authorize and permit Employee and the Aggrieved Employees, or some of them, to take rest periods in compliance with California law. Employee and the Aggrieved Employees, or some of them, are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Employers, however, at times failed to pay Employee and the Aggrieved Employees, or some of them, the additional wages to which they were entitled for rest periods that they were not authorized and permitted to take.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

Based on Employers' failure at times to pay Employee and the Aggrieved Employees, or some of them, for all wages as discussed above, Employers also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were

entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, at times, Employers failed and refused to pay the Employee all wages due, and failed to pay those wages twice a month, in that Employee was not paid all wages for all meal periods not provided by Employers, all wages for all rest periods not authorized and permitted by Employers, and all wages for all hours worked. As a result, Employers owe Employee the legally required wages for unpaid wages, and Employee and the Aggrieved Employees, or some of them, suffered damages in those amounts.

Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

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

Employers, however, at times failed to maintain accurate records of hours worked and all meal periods taken or missed by Employee and the Aggrieved Employees, or some of them.

Employers' failure to provide and maintain records required by the California Labor Code and the applicable IWC Wage Orders deprived Employee and the Aggrieved Employees, or some of them, the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Employers' records. Therefore, Employee and the Aggrieved Employees, or some of them, had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Employers. As a direct result, Employee and the Aggrieved Employees, or some of them, have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorneys' fees in seeking to compel Employers to fully perform their obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Employers' knowing failure, at times, to comply with the California Labor Code and applicable IWC Wage Orders, Employee and the Aggrieved Employees, or some of them, have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

Failure to Timely Pay All Wages at Termination

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

Within the applicable statute of limitations, the employment of Employee and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the

employment of others will be terminated. However, during the relevant time period, Employers at times failed, and continue at times to fail, to pay Employee and terminated Aggrieved Employees, or some of them, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Employers' employment. These unpaid wages include wages for unpaid work time (including minimum, straight time, and overtime wages), missed meal period premium wages, and missed rest period premium wages.

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

Accordingly, Employee and the Aggrieved Employees, or some of them, are entitled to recover from Employers their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to thirty (30) days maximum pursuant to Labor Code § 203.

Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

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

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

Throughout the statutory period, Employers at times failed to, and continue at times to fail, to timely furnish Employee and the Aggrieved Employees, or some of them, with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

Because Employers at times violated Labor Code § 226, Employee and similarly Aggrieved Employees, or some of them, suffered injury and damage to their statutorily protected rights. Accordingly, Employee and similarly Aggrieved Employees, or some of them, are entitled to recover from Employers the greater of their actual damages caused by Employers' failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars (\$4,000) per employee. Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 226.3 for failing to timely furnish accurate itemized wage statements.

Failure to Indemnify for Necessary Expenditures

Labor Code § 2802(a) provides that employers shall indemnify their employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statute of limitations period applicable to this cause of action, Employers at times wrongfully required Employee and the Aggrieved Employees, or some of them, to pay expenses that they incurred in direct discharge of their duties for Employers. Employee and the Aggrieved Employees, or some of them, at times paid out-of-pocket for necessary employment-related expenses. Employee and the Aggrieved Employees, or some of them, incurred substantial expenses as a direct result of performing their job duties for Employers, but Employers failed to indemnify Employee and the Aggrieved Employees, or some of them, for these employment-related expenses.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify Employee and the Aggrieved Employees, or some of them, for necessary business expenditures.

Failure to Produce Requested Employment Records

Labor Code § 226 provides that current and former employees have the right to inspect or receive a copy of their records pertaining to their employment, upon reasonable request to their employer. Under this statute, an employer that receives a request to inspect or receive a copy of records pertaining to a current or former employee must comply with the request as soon as practicable, but no later than twenty-one (21) calendar days from the date of the request. Labor Code § 1198.5(a) also provides that every current and former employee, or his or her representative, has the right to inspect and receive a copy of the personnel records that the employer maintains relating to the employees' performance or to any grievance concerning the employee.

Under this statute, upon written request from a current or former employee or his or her representative, an employer must make the contents of those personnel records available for inspection or provide a copy of the personnel records to the current or former employee, or his or her representative, not later than thirty (30) calendar days from the date the employer receives the written request, subject to some limited exceptions. Labor Code § 432 provides that if an employee or applicant signs any instrument relating to the obtaining or holding of employment, he or she shall be given a copy of the instrument upon request. On information and belief, Employee and the Aggrieved Employees, or some of them, submitted written request(s) to Employers for their payroll records, timecards, and personnel records but did not timely receive them as required by the Labor Code.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 226(f), 1198.5(k), and 2699 for failing to timely produce the requested records.

Recordkeeping Requirement Violations

California Labor Code section 1174 requires employers to keep “accurate and complete” payroll records showing, among other things, the hours worked daily by Employees and Aggrieved Employees. All applicable IWC Wage Orders, section 7 similarly requires employers to keep accurate time records reflecting the times during which all owed meal periods were provided each day.

Based on information and belief, Employers at times failed, and continue at times to fail, to keep accurate and complete payroll records as required by law, including but not limited to the following records: total daily hours worked, applicable rates of pay, time records showing when Employee and other Aggrieved Employees began and ended each work period, time records of meal periods, and accurate itemized wage statements.

Based on information and belief, Employers at times failed and continue at times to fail to keep accurate and complete records showing total hours worked by Employee and Aggrieved Employees, or some of them, by virtue of Employers’ time rounding and/or auto deduction policies and practices and/or other off-the-clock work policies and practices.

Employers failed at times and continue at times to fail to keep accurate and complete records showing total hours worked by virtue of Employers’ failure to relieve Employee and Aggrieved Employees, or some of them, of all duties and Employers’ control for unpaid meal periods, resulting in unpaid hours worked.

Based on information and belief, Employers further failed at times, and continue at times to fail, to record the true start and end times of Employee’s and Aggrieved Employees’ meal periods, or some of them.

Based on further information and belief, Employers further failed at times and continue at times to fail, to record the true start and end times of Employee’s and Aggrieved Employees’ work shifts, or some of them.

Additionally, Employers at times failed, and continue at times to fail, to keep accurate records and issue accurate wage statements by not documenting accrued sick time for Employee and Aggrieved Employees, or some of them. Employers’ failure to keep “accurate and complete” payroll records for Employee and Aggrieved Employees, or some of them, violates Labor Code sections 1174, 1198, 1199, and all applicable IWC Wage Orders, section 7. These violations subject Employers to civil penalties under Labor Code sections 558.1, 226.6, 1174.5 and 2699. Each violation of each Labor Code section and Wage Order provision, for each Aggrieved Employee (or some of them), results in a separate civil penalty.¹

Violation of Wage Theft Protection Act of 2011

Based on information and belief, Employers failed at times, and continue at times to fail, to comply with the notice requirements of Labor Code section 2810.5 (*i.e.*, the Wage Theft Protection Act of 2011) by, among other things, failing to provide Employee and Aggrieved Employees, or some of them, with the rates of pay and overtime rates of pay applicable to their employment, allowances

¹ See Lab. Code §2699(f)(2) (establishing that the civil penalty is “for each aggrieved employee per pay period”).

claimed as part of the minimum wage, the regular payday designated by Employers, the name of the employer, including any “doing business as” names used, the name, address and telephone number of the workers’ compensation insurance carrier, information regarding paid sick leave, and other pertinent information required to be disclosed by Employers under Labor Code section 2810.5. Employee is informed and believes that failure to provide such information, including rates of pay that are in effect, has permitted Employers to pay Aggrieved Employees, or some of them, at rates of pay that were not agreed upon and violate minimum wage and overtime wage laws in California. Employee is additionally informed and believes that the notice requirement of Labor Code section 2810.5 involves a mandatory payroll or workplace injury reporting. Among other relief, Aggrieved Employees, or some of them, may collect from Employers in connection with these violations’ civil penalties pursuant to Labor Code sections 558 and 2699.

Violation of California Labor Code §§ 245-248.5

Throughout the relevant time period, Employers at times failed to provide proper paid sick leave to Employee and other Aggrieved Employees, or some of them. Employers either failed at times to provide paid sick leave at all or improperly calculated the sick leave accrual and the sick leave rate of pay owed to Employee and other Aggrieved Employees, or some of them, by failing at times to base the accrued sick leave hours on the correct number of hours worked (as a result of the rounding/automatic deduction policies and practices for meal periods and/or shift start and end times/other required off-the-clock work including but not limited to unpaid meal periods that were restricted to Employers’ premises) and by failing at times to incorporate multiple rates of pay and/or all non-discretionary remuneration, including but not limited to, non-discretionary bonuses, shift differential pay and/or other non-discretionary compensation into the sick leave pay rate calculation.

Based on information and belief, Employers further failed at times to provide notice of the correct sick leave amount balance available to Employee and other Aggrieved Employees, or some of them, on their wage statements or other written statement.

Based on information and belief, Employers at times failed to put Aggrieved Employees, or some of them, on notice of their paid sick leave rights, thereby failing at times to put their entitlement to sick leave in a Labor Code section 2810.5 notice. In addition, Employers at times failed to maintain accurate records of used sick leave and the balance of paid sick leave left to the Aggrieved Employees, or some of them.

Based on information and belief, Employers at times failed to provide notice of sick leave amount balance left for Employee and other Aggrieved Employees, or some of them, thus affecting their intelligent exercise of their paid sick leave. But for this failure, Employee, and other Aggrieved Employees, or some of them, would have used their paid sick leave at least prior to their respective separations, for as on several occasions thereafter, he or she would have been entitled to use the banked sick leave and earn appropriate compensation.

This illegal retention of paid sick leave is unlawful, and Employee seeks all forms of injunctive relief, restitution, and declaratory relief as permitted by California law, on behalf of Employee and the Aggrieved Employees, or some of them.

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In violation of Labor Code section 247.5, Employers at times failed to maintain records documenting the hours worked and paid sick days accrued and used by Employee and Aggrieved Employees, or some of them, permitting the presumption that Employee and these Aggrieved Employees, or some of them, were entitled to the maximum number of hours accruable under this article.

Upon information and belief, Employers at times further failed and continue at times to fail to comply with Labor Code section 246, by failing to provide Employee and Aggrieved Employees, or some of them, with a Labor Code section 226 wage statement, or separate writing containing the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, at the time it pays wages.

Employers at times unlawfully retained and continue at times to retain paid sick leave that should have been paid but was not, as a result of Employers' failure, at times, to properly institute a paid sick leave program.

On information and belief, Employee alleges that these practices at times were experienced and continue to be experienced at times by other Aggrieved Employees, or some of them.

Employee requests all appropriate relief under the PAGA and these statutes, including but not limited to the restitution of earned paid sick leave that could have been used, but was not due to Employers' sole failure to institute such a paid sick leave entitlement or paid sick leave bank as required by California law.

Accordingly, Employee and other Aggrieved Employees, or some of them, are entitled to injunctive relief, attorneys' fees, declaratory relief, restitution, and penalties as permitted by law. Employee requests all relief pursuant to the aforementioned code provisions, including but not limited to Labor Code sections 233 and 234, which incorporates the paid sick leave requirements.

Failure To Provide Supplemental Paid Sick Leave

Labor Code section 248.2 provides that all employers with 26 or more employees are required to provide up to 80 hours for covered employees to take 2021 COVID-19 Supplemental Paid Sick Leave to care for themselves, to care for a family member or if it is vaccine-related. Based on information and belief, Employers at times violated Labor Code section 248.2 by not providing Aggrieved Employees, or some of them, with required 2021 COVID-19 Supplemental Paid Sick Leave.

Refusal to Make Payment

Labor Code section 216 declares unlawful an employer's refusal to pay wages due and payable and/or denial of the validity of any claim to wages due.

Employers at times violated and continue at times to violate Labor Code section 216 by failing to pay Employee and Aggrieved Employees, or some of them, for all hours worked at the proper wage rate and by failing to pay Employee and Aggrieved Employees, or some of them, an additional hour of pay for each meal and/or rest period not provided or that was invalid. *Gould v. Maryland Sound Industries, Inc.* (1995) 31 Cal.App.4th 1137, 1154-1155.

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These violations subject Employers to civil penalties under Labor Code section 225.5. Each violation results in a *separate* civil penalty, for each Aggrieved Employee (or some of them) so affected, for each pay period (or some of them) during which the statute's provisions were violated.²

Seating Violations

Per section 14(A-B) of all applicable IWC Wage Orders, employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats and when they are not actively engaged in the work duties that would not permit them to be seated.

All applicable IWC Wage Orders, Section 14(A-B) provides:

(A) All working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats.

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

Suitable seating is one of the worker protections covered by California's Wage Orders, which have the same dignity as statutes, are remedial in nature and are to be broadly construed to effectuate the goal of protecting the comfort and welfare of employees. *Brinker Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004, 1027 (2012).

Based on information and belief, Employers at times failed to provide Aggrieved Employees, or some of them, with suitable seating, and when such employees, or some of them, were not engaged in duties which required them to stand, at times no seating was placed in reasonable proximity to their workstations.

Moreover, based on information and belief, the nature of the work reasonably permitted the use of seats for at least part of the time that Aggrieved Employees were working. Lastly, based on information and belief, Aggrieved Employees at times were not engaged in active duties of their employment, yet at times there were no suitable seats in reasonable proximity to the work area, and use of seats would not have interfered with the performance of their duties.

Employers' Aggrieved Employees worked in various positions. The nature of Employee's and other Aggrieved Employees' work, or some of them, reasonably permitted the use of seats. However, Employers at times failed to provide suitable seating in reasonable proximity to Aggrieved Employees' work areas, or some of them, in violation of section 14(A-B) of applicable Wage Orders, and Labor Code sections 1198 and 1199, subjecting Employers to civil penalties under Labor Code sections 1199 and 2699. Each violation of each Labor Code section and IWC

² Labor Code § 225.5 (establishing that "[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who unlawfully withholds wages due any employee in violation of sections 212, 216, 221, 222, or 223 shall be subject to a civil penalty...for each failure to pay each employee") (emphasis added).

Wage Order provision, for each Aggrieved Employee, or some of them, results in a separate civil penalty.³

Statutory Wage Violations

Labor Code section 223 makes it unlawful for an employer to secretly pay wages lower than required by statute while purporting to pay legal wages.

As described above, Employers at times willfully and systematically denied Employee and other Aggrieved Employees, or some of them, of minimum and overtime wage compensation for all hours worked which resulted in the payment of less than statutorily required wages owed to them. Employers at times acted with the intent to deprive some or all of them of statutory wages, including, but not limited to, overtime wages and minimum wages, to which they were entitled to under California law.

Thus, Employers at times paid Employee and other Aggrieved Employees, or some of them, lower wages than those to which they were entitled, while purporting that Employee and all Aggrieved Employees were properly paid. As such, Employee and Aggrieved Employees, or some of them, are entitled to recover penalties, attorneys' fees, costs, and interest thereon, pursuant to Labor Code § 2699(f)-(g).

Failure to Pay Vested Vacation/Paid Time Off

California Labor Code section 227.3 provides that when an employer policy provides for paid vacations and/or paid time off, and an employee is terminated without having taken off his, her, or their vested vacation time, all vested vacation shall be paid to the employee as wages at the employee's final rate in accordance with such contract of employment or employer policy respecting eligibility or time served and that there shall be no forfeiture of vested vacation time or paid time off upon termination. Based on information and belief, Employers at times had and continue at times to have a policy and/or practice of failing to allow Aggrieved Employees, or some of them, and Exempt Aggrieved Employees, or some of them, to use their earned vacation/paid time off during their employment and failing at times to pay all vested, accrued paid time off to Aggrieved Employees, or some of them, and/or Exempt Aggrieved Employees, or some of them, upon separation of employment, in violation of California law, including but not limited to, Labor Code section 227.3.

Failure to Timely Provide Temporary Workers with Owed Wages

On information and belief, Employers at times had and have failed to provide temporary workers, or some of them, with owed wages weekly by not later than the regular payday of the following week. As a result, pursuant to Labor Code section 201.3, Employers would be liable for civil penalties pursuant to Labor Code sections 201.3.

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³ See Lab. Code §2699(f)(2) (establishing that the civil penalty is “for each aggrieved employee per pay period”).

Unlawful Agreements/ Unlawful Criminal History Inquiries

Unlawful Agreements

Labor Code section 432.5 provides that “no employer ... shall require any employee or applicant for employment to agree, in writing, to any term or condition which is known by such employer ... to be prohibited by law.” Based on information and belief, Employers at times required Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to unlawful conditions of employment including but not limited to unlawful non-compete and/or non-solicitation agreements as well as unlawful criminal and/or financial checks as a condition of obtaining and/or continuing employment in violation of Labor Code section 432.5.

The California Labor Code places certain procedural and substantive limits on employers’ ability to conduct employee background checks and on how employers can use the information they obtain through those background checks. Labor Code section 1024.5 states that employers, except for financial institutions, may order a credit check only if the individual works (or is applying to work) in certain positions (e.g., managerial positions, financially related positions, and certain government positions). Additionally, the Investigative Consumer Reporting Agencies Act (ICRAA - CA Civil Code section 1786, *et seq.*) and the Fair Credit Reporting Act (FCRA - 15 U.S.C. section 1681, *et seq.*) mandate several requirements prior to and following an employee background check, including but not limited to identifying an appropriate reason for the background check, a separate consent form with required disclosures and certain formatting requirements, additional forms such as a summary of rights, a way by which to request a copy of the report, as well as proper notice of adverse actions taken, among other statutory requirements.

Based on information and belief, Employers at times ordered unlawful financial credit checks on Aggrieved Employees and Exempt Aggrieved Employees, or some of them, in violation of Labor Code section 1024.5, and at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to provide ongoing written consent to the unlawful credit checks as a condition of employment, in violation of California and Federal law, which results in a further violation of Labor Code section 432.5.

Based on information and belief, Employers also at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to submit and/or agree to submit in writing to unlawful criminal background checks as a condition of obtaining and/or holding employment in violation of the ICRAA and the FCRA. For example, based on information and belief, Employers required Employee to submit and/or agree to submit in writing to an unlawful background check as a condition of obtaining and/or holding employment in violation of, including but not limited to, Labor Code section 432.5.

Based on information and belief, Employers at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to a background check which failed to abide by the requirements set forth in California Civil Code section 1786, *et seq.* and 15 U.S.C. section 1681, *et seq.*, including but not limited to by failing, at times, to provide a clear and conspicuous disclosure (and/or failing to provide any disclosure at all), failing at times to provide disclosures free of extraneous information, failing at times to provide a lawful purpose for the background check, failing at times to provide a summary of rights under the ICRAA and/or the FCRA, failing at times to provide a way by which the individual could request a copy of the report, failing at times to disclose the name, address, and telephone number of the third party preparing the report, and failing at times to properly obtain authorization or consent to such a background check, and thus was an unlawful background check.

By at times requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to unlawful criminal and/or financial checks not in conformance with the applicable laws, Employers violated Labor Code section 432.5.

Based on information and belief, Employers also at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to provide ongoing consent to Employers to conduct background checks throughout the duration of employment, in violation of the ICRAA and/or FCRA and/or other applicable laws, resulting in a further violation of Labor Code section 432.5, by at times requiring applicants and employees, or some of them, to agree to an unlawful provision as a condition of employment.

Based on further information and belief, Employers knew that requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree at times to unlawful criminal and/or financial background checks as a condition of obtaining and/or holding employment was unlawful.

By requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree at times in writing to unlawful provisions as a condition of employment, Employers violated Labor Code section 432.5.

Unlawful Inquires into Criminal History

Labor Code section 432.7 prohibits an employer from asking applicants about past arrest(s) unless they resulted in conviction(s) and even then, certain limitations apply. Based on information and belief, Employers at times asked Aggrieved Employees and Exempt Aggrieved Employees, or some of them, about arrests not resulting in convictions on their employment application, in violation of California law.

Upon information and belief, Employers, in violation of California law, including but not limited to the Fair Chance Act/the California Fair Employment and Housing Act (“FEHA”), at times asked Aggrieved Employees and Exempt Aggrieved Employees, or some of them, about convictions prior to extending an offer of employment and/or otherwise impermissibly inquired into criminal history on their employment application in violation of California law.

By asking, at times, about arrests not resulting in convictions, Employers violated Labor Code section 432.7. By asking, at times, about convictions at the application phase or prior to extending an employment offer, Employers violated California’s Fair Chance Act, and thereby violated Labor Code section 432.5 by unlawfully requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to disclose arrests and/or convictions as a condition of employment.

Unlawful PAGA Waiver

Additionally, Employers at times violated Labor Code section 432.5 by requiring Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to other unlawful agreements, including but not limited to an unlawful waiver of PAGA and or representative actions, as a condition of employment.

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An action pursuant to PAGA “...is a representative action on behalf of the state” *Kim v Reins Int’l California, Inc.*, (2020) 9 Cal. 5th 73, 86-87. It is well settled that agreements purporting to waive an employee’s right to a trial of PAGA claims is contrary to California law and unenforceable. *See Iskanian v CLS Transportation Los Angeles, LLC* (2014) 59 Cal. 4th 348, 384 (“We conclude that where, as here, an employment agreement compels the waiver of representative claims under the PAGA, it is contrary to public policy and unenforceable as a matter of state law.”).

Moreover, the California Supreme Court has ruled that a court cannot compel arbitration of an aggrieved employee’s individual PAGA claim because there is no such thing as an individual PAGA claim. *Kim v Reins Int’l California, Inc.*, (2020) 9 Cal. 5th 73, 86-87 (“There is no individual component to a PAGA action because ‘every PAGA action ... is a representative action on behalf of the state.’”).

Upon information and belief, Employers at times required Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to waive their right to a trial of PAGA claims in violation of California law. By at times requiring Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree, in writing, to an unlawful PAGA waiver, Employers at times required written agreement to an unlawful provision as a condition of employment, which is a violation of labor code section 432.5.

As such, Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, continue to be subject at times to various unlawful provisions as a condition of employment.

Preventing Employees from Using or Disclosing Skills, Knowledge, and Experience

On information and belief, Employers at times have prevented Employee and/or other Aggrieved Employees, or some of them, from using or disclosing the skills, knowledge, and experience they obtained at Employers for purposes of competing with Employers, including, without limitation, preventing Employees, or some of them, from disclosing their wages in negotiating a new job with a prospective employer, and from disclosing who else works at Employers and under what circumstances they might be receptive to an offer from a rival employer. As such, Employee is informed and believes, this violates Business and Professions Code sections 17200, 16600 and 16700 and, by virtue thereof, various provisions of the Labor Code, including Labor Code sections 232, 232.5, and 1197.5, subdivision (k). Employers would be liable for civil penalties pursuant to Labor Code section 2699.

Whistleblower Violations

On information and belief, Employers at times have prevented Employee and/or other Aggrieved Employees, or some of them, from disclosing violations of state and federal law, either within Employers to their managers or outside Employers to private attorneys or government officials, among others, in violation of Business and Professions Code section 17200, and thus in violation of Labor Code section 1102.5. In addition, Employee is informed and believes that these policies and/or practices at times prevent Employee and/or other Aggrieved Employees, or some of them, from disclosing information about unsafe or discriminatory working conditions, or about wage and hour violations in violation of Labor Code sections 98.6, 232, and 232.5. These violations of the Labor Code would expose Employers to liability for civil penalties pursuant to Labor Code section 2699.

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Workplace Health and Safety Violations

On information and belief, Employers at times have failed to furnish and use safety devices and safeguards, and adopt and use practices, means, methods, operations and processes which are reasonably adequate to render such employment and place of employment safe and healthful, pursuant to, including but not limited to, Labor Code section 6401. Employee is informed and believes, and based thereon alleges, that Employers at times have required or permitted employees, or some of them, to go or be in any employment or place of employment which is not safe and healthful, pursuant to Labor Code section 6402. Employee is informed and believes, and based thereon alleges, that Employers at times have failed or neglected to provide and use safety devices and safeguards reasonably adequate to render the employment and place of employment safe; adopt and use methods and processes reasonably adequate to render the employment and place of employment safe; and do every other thing reasonably necessary to protect the life, safety, and health of employees, pursuant to Labor Code section 6403. Employee is informed and believes, and based thereon alleges, that these failures include, without limitation, at times failing to disinfect time clocks and other surfaces after use by Employee and/or other Aggrieved Employees, or some of them; at times failing to provide adequate protection equipment to Employee and/or other Aggrieved Employees, or some of them; and at times failing to provide adequate distance in working conditions between Employee and/or other Aggrieved Employees, or some of them.

On information and belief, Employers violated section 1527, 3366, 3457 and 8397.4 by failing at times to provide adequate and readily accessible sanitation facilities; a regular schedule for servicing, cleaning, and supplying each facility to ensure it is maintained in a clean, sanitary and serviceable condition; an adequate supply of suitable cleansing agents, water, single-use towels or blowers; and a sufficient number of toilets to be used by each sex of employee.

Action for Civil Penalties Under PAGA

In light of the above, Employee alleges that Employers at times violated the following provisions of the Labor Code with respect to the Aggrieved Employees, or some of them:

1. Labor Code §§ 204, 510, 1194, 1197, and 1198 by failing at times to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing at times to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing at times to authorize and permit rest periods;
4. Labor Code § 204 by failing at times to pay all earned wages two times per month;
5. California Labor Code § 1174.5 and applicable Wage Orders by failing at times to maintain accurate records of hours worked and meal periods taken or missed;
6. Labor Code §§ 201 to 203 by willfully failing at times to pay all wages owed at termination;
7. Labor Code § 226 by failing at times to provide accurate itemized wage statements;
8. Labor Code § 2802 by failing at times to indemnify for necessary expenditures;
9. Labor Code §§ 226, 432, and 1198.5 by failing at times to timely produce requested payroll records, timecards, and personnel records;

10. Labor Code § 1174 by failing at times to keep accurate and complete payroll records;
11. Labor Code §§ 245-248.5 by failing at times to provide proper sick leave and supplemental paid sick leave;
12. Labor Code § 216 for refusal at times to pay wages due and payable and/or denial at times of the validity of any claim to wages due;
13. Labor Code § 223 for at times secretly paying wages lower than required by statute while purporting to pay legal wages;
14. Labor Code § 227.3 for failure at times to pay vested vacation and/or paid time off;
15. Section 14(A-B) of all applicable IWC Wage Orders for failure at times to provide suitable seating;
16. Labor Code § 432.5 for unlawful agreements;
17. Labor Code § 201.3 for failure at times to timely provide temporary workers, or some of them, with wages;
18. Labor Code §§ 98.6, 232, 232.5, 1102.5, and 1197.5 for at times preventing employees, or some of them, from using or disclosing the skills, knowledge and experience they obtained at Employers, and whistleblower violations;
19. Labor Code § 432.7 for unlawful inquiries at times into criminal histories; and
20. Labor Code §§ 1527, 3366, 3457, 8397.4, 6401, and 6401 for workplace health and safety violations.

Therefore, on behalf of potentially Aggrieved Employees, Employee seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 1174.5, 1197.1, and 2699.

Employee has placed Employers on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

WILSHIRE LAW FIRM

A handwritten signature in black ink, appearing to read "John Yslas", is written over the printed name.

John G. Yslas, Esq.

September 11, 2024

PAGA Claim Notice Via Online Electronic Submission

California Labor & Workforce Development Agency

800 Capitol Mall, Suite 5000 (MIC-55)

Sacramento, CA 95814

<https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>

RE: *Shannon Gilbert v. Welbe Health, LLC, et al.*

Dear Representative,

On December 12, 2023, pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”), Shannon Gilbert’s (“Ms. Gilbert” or “Employee”) previous attorneys provided notice to the California Labor and Workforce Development Agency (“LWDA”), LA Coast PACE, LLC, WelbeHealth Bay Area PACE, LLC, WelbeHealth Inland Empire PACE, LLC, and WelbeHealth San Bernardino PACE, LLC that Ms. Gilbert intends to bring a representative action seeking penalties for violations of the California Labor Code which are recoverable under the California Labor Code.

We write to you to inform you of Ms. Gilbert’s intent to add Welbe Health, LLC, Welbe Health PACE, LLC, Welbe Housecalls, LLC, Sequoia PACE, LLC, Welbe Health HC, NoCal, LLC, Welbe Health HC SoCal, LLC, and Stockton PACE, LLC as named employers in Ms. Gilbert’s PAGA notice.

Welbe Health, LLC, Welbe Health PACE, LLC, Welbe Health Bay Area PACE, LLC, WelbeHealth Inland Empire PACE, LLC, Welbe Health San Bernardino PACE, LLC, LA Coast PACE, LLC, Welbe Housecalls, LLC, Sequoia PACE, LLC, Welbe Health HC, NoCal, LLC, Welbe Health HC SoCal, LLC, and Stockton PACE, LLC (including any and all affiliates, subsidiaries, parents, directors, and officers thereof) are collectively referred to herein as “Employers”.

Ms. Gilbert intends to bring a representative action seeking penalties for violations of the California Labor Code which are recoverable under PAGA. Ms. Gilbert is seeking penalties on behalf of herself and in a representative capacity on behalf of the State of California and all current and former hourly-paid and/or non-exempt employees who worked for Employers in the State of California during the relevant statutory period (“Aggrieved Employees”). This letter is being sent in compliance with California Labor Code section 2699.3 and shall serve as Ms. Gilbert’s notice of the

provisions of the California Labor Code alleged to have been violated, including the facts and theories in support thereof.

As detailed below, Employers violated several of California's wage and hour laws during Ms. Gilbert's employment, including but not limited to California Labor Code sections and the Industrial Welfare Commission ("IWC") Wage Orders. The claims made on behalf of Ms. Gilbert and Aggrieved Employees are based upon the following facts and theories:

Ms. Gilbert's Employment with Employers

Employers are a full-service care program which helps senior citizens coordinate all preventative, acute, primary, and long-term care services. Employee worked as a Quality Improvement Coordinator. Employee's primary job function was to maintain and implement quality improvement programs. In performing Employee's duties, Employee was regularly required to perform work (off-the-clock), without compensation. Employee was also frequently deprived of an opportunity to take legally compliant meal and rest breaks. Employers failed to provide Employee and other Aggrieved Employees with the meal and rest break premiums they were entitled to under the Labor Code. Additionally, Employee necessarily incurred business-related expenses, but Employers failed to reimburse such business-related expenses. These are just non-exhaustive examples of the facts and theories the Employee asserts, which are described in more detail below.

Employers own/owned and operate/operated an industry, business, and establishment within the State of California. As such and based upon all the facts and circumstances incident to Employers' business in California, Employers are subject to the California Labor Code, Wage Orders issued by the IWC, and the California Business & Professions Code.

Ms. Gilbert is a resident of Hemet, California who worked for Employers in Los Angeles County, California as an hourly-paid, non-exempt employee from approximately May 2022 to approximately September 2023.

During Employee's employment for Employers, Employers paid Employee an hourly wage and classified Employee as non-exempt from overtime. Employers typically scheduled Employee to work at least five days in a workweek and at least eight hours per day, but Employee also worked more than eight hours in a workday and more than forty (40) hours in a workweek.

Throughout Employee's employment, Employers failed to pay for all hours worked (including minimum, straight time, and overtime wages), failed to provide Employee with legally compliant meal periods, failed to authorize and permit Employee to take rest periods, failed to timely pay all final wages to Employee when Employers terminated Employee's employment, failed to furnish accurate wage statements to Employee, failed to indemnify Employee for business expenditures, and failed to timely produce Employee's requested employment records. As discussed below, Employee's experience working for Employers was typical and illustrative.

Failure to Pay for All Hours Worked, Including Minimum, Straight Time, and Overtime Wages

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

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

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the IWC is unlawful.

Throughout the statutory period, Employers at times failed to pay Employee and the Aggrieved Employees, or some of them, for all hours worked, including minimum, straight time, and overtime wages. Employers at times required Employee and the Aggrieved Employees, or some of them, to work “off-the-clock,” uncompensated, by, for example, requiring Employee and the Aggrieved Employees to perform work during uncompensated meal periods and rest periods, and requiring Employee and the Aggrieved Employees to perform work before clocking in and/or after clocking out. Some of this unpaid work should have been paid at the overtime rate. California Labor Code § 510 requires that employers compensate employees 1.5 times their regular rate of pay when employees work over eight hours per day, 40 hours per week, or when employees work up to eight hours on any seventh day of a workweek. Employers at times failed to properly calculate Employee’s regular rate of pay when paying overtime, by failing to include all compensation in Employee’s overtime calculations. In failing to pay for all hours worked, Employers also failed to maintain accurate records of the hours Employee and the Aggrieved Employees, or some of them, worked.

Throughout the statutory period, Employers also engaged, at times, in a practice of improper rounding. Under *Camp v. Home Depot U.S.A., Inc.* (2022) 84 Cal.App.5th 638, because Employers could and did track the exact time in minutes that Employee worked, they must pay for all time worked. When an employer uses an electronic timekeeping system to record time worked, this ability to “precisely capture time worked” means that “the employer must pay the employee for that worktime when due.” (*Id.* at 671.) As a result of Employers’ rounding policy, Employee consistently was not compensated at least minimum wage for all hours that Employee worked.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s). Despite these legal requirements, Employers at times wrongfully failed to provide Employee and the Aggrieved Employees, or some of them, with their legally mandated 30-minute, uninterrupted, and duty-free meal period in a manner required by law (and also including but not limited to failing at times to provide Employee and the Aggrieved Employees, or some of them, the opportunity to leave the work premises to take meal periods). Employers also continued to assert control over Employee and the Aggrieved Employees, or some of them, by, among other things, requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Employee and the Aggrieved Employees, or some of them, permission to take a meal period under the conditions required by law, and without properly compensating Employee and the Aggrieved Employees, or some of them, for meal periods that were not provided as required by law. Employers also did not inform Employee of Employee's right to, nor permitted Employee to take, all of Employee's second meal periods when Employee worked at least ten hours of work in a workday and otherwise unlawfully pressured Employee to waive such breaks. Accordingly, Employers at times failed to provide meal periods to Employee and the Aggrieved Employees, or some of them, in compliance with California law.

Employee and the Aggrieved Employees, or some of them, are thus entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s). Employers, however, at times failed to pay Employee and the Aggrieved Employees, or some of them, the additional wages to which they were entitled for meal periods that were not provided.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

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

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Throughout the statutory period, Employers at times have wrongfully failed to authorize and permit Employee and the Aggrieved Employees, or some of them, to take legally compliant rest periods in a manner required by law (and also including but not limited to failing, at times, to authorize and permit Employee and the Aggrieved Employees, or some of them, the opportunity to leave the work premises to take rest periods). Employers at times required Employee and the Aggrieved Employees, or some of them, to work in excess of four consecutive hours a day without Employers' authorizing and permitting Employee to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Employee and the Aggrieved Employees, or some of them, for rest periods that were not authorized or permitted.

Instead, Employers at times continued to assert control over Employee and the Aggrieved Employees, or some of them, by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or at times by denying Employee and the Aggrieved Employees, or some of them, permission to take a rest period. Accordingly, Employers at times failed to authorize and permit Employee and the Aggrieved Employees, or some of them, to take rest periods in compliance with California law. Employee and the Aggrieved Employees, or some of them, are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Employers, however, at times failed to pay Employee and the Aggrieved Employees, or some of them, the additional wages to which they were entitled for rest periods that they were not authorized and permitted to take.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

Based on Employers' failure at times to pay Employee and the Aggrieved Employees, or some of them, for all wages as discussed above, Employers also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, at times, Employers failed and refused to pay the Employee all wages due, and failed to pay those wages twice a month, in that Employee was not paid all wages for all meal periods not provided by Employers, all wages for all rest periods not authorized and permitted by Employers, and all wages for all hours worked. As a result, Employers owe Employee the legally required wages for unpaid wages, and Employee and the Aggrieved Employees, or some of them, suffered damages in those amounts.

Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

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

Employers, however, at times failed to maintain accurate records of hours worked and all meal periods taken or missed by Employee and the Aggrieved Employees, or some of them.

Employers' failure to provide and maintain records required by the California Labor Code and the applicable IWC Wage Orders deprived Employee and the Aggrieved Employees, or some of them, the ability to know, understand, and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Employers' records. Therefore, Employee and the Aggrieved Employees, or some of them, had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Employers. As a direct result, Employee and the Aggrieved Employees, or some of them, have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorneys' fees in seeking to compel Employers to fully perform their obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Employers' knowing failure, at times, to comply with the California Labor Code and applicable IWC Wage Orders, Employee and the Aggrieved Employees, or some of them, have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

Failure to Timely Pay All Wages at Termination

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

Within the applicable statute of limitations, the employment of Employee and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the employment of others

will be terminated. However, during the relevant time period, Employers at times failed, and continue at times to fail, to pay Employee and terminated Aggrieved Employees, or some of them, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Employers' employment. These unpaid wages include wages for unpaid work time (including minimum, straight time, and overtime wages), missed meal period premium wages, and missed rest period premium wages.

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

Accordingly, Employee and the Aggrieved Employees, or some of them, are entitled to recover from Employers their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to thirty (30) days maximum pursuant to Labor Code § 203.

Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

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

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

Throughout the statutory period, Employers at times failed to, and continue at times to fail, to timely furnish Employee and the Aggrieved Employees, or some of them, with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

Because Employers at times violated Labor Code § 226, Employee and similarly Aggrieved Employees, or some of them, suffered injury and damage to their statutorily protected rights. Accordingly, Employee and similarly Aggrieved Employees, or some of them, are entitled to recover from Employers the greater of their actual damages caused by Employers' failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars (\$4,000) per employee. Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 226.3 for failing to timely furnish accurate itemized wage statements.

Failure to Indemnify for Necessary Expenditures

Labor Code § 2802(a) provides that employers shall indemnify their employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statutory period, Employers at times wrongfully required Employee and the Aggrieved Employees, or some of them, to pay expenses that they incurred in direct discharge of their duties for Employers. Employee and the Aggrieved Employees, or some of them, at times paid out-of-pocket for necessary employment-related expenses. Employee and the Aggrieved Employees, or some of them, incurred substantial expenses as a direct result of performing their job duties for Employers, but Employers failed to indemnify Employee and the Aggrieved Employees, or some of them, for these employment-related expenses.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify Employee and the Aggrieved Employees, or some of them, for necessary business expenditures.

Failure to Produce Requested Employment Records

Labor Code § 226 provides that current and former employees have the right to inspect or receive a copy of their records pertaining to their employment, upon reasonable request to their employer. Under this statute, an employer that receives a request to inspect or receive a copy of records pertaining to a current or former employee must comply with the request as soon as practicable, but no later than twenty-one (21) calendar days from the date of the request. Labor Code § 1198.5(a) also provides that every current and former employee, or his or her representative, has the right to inspect and receive a copy of the personnel records that the employer maintains relating to the employees' performance or to any grievance concerning the employee.

Under this statute, upon written request from a current or former employee or his or her representative, an employer must make the contents of those personnel records available for inspection or provide a copy of the personnel records to the current or former employee, or his or her representative, not later than thirty (30) calendar days from the date the employer receives the written request, subject to some limited exceptions. Labor Code § 432 provides that if an employee or applicant signs any instrument relating to the obtaining or holding of employment, he or she shall be given a copy of the instrument upon request. On information and belief, Employee and the Aggrieved Employees, or some of them, submitted written request(s) to Employers for their payroll records, timecards, and personnel records but did not timely receive them as required by the Labor Code.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 226(f), 1198.5(k), and 2699 for failing to timely produce the requested records.

Recordkeeping Requirement Violations

California Labor Code section 1174 requires employers to keep “accurate and complete” payroll records showing, among other things, the hours worked daily by Employees and Aggrieved Employees. Section 7 of the applicable IWC Wage Orders similarly requires employers to keep accurate time records reflecting the times during which all owed meal periods were provided each day.

Based on information and belief, Employers at times failed, and continue at times to fail, to keep accurate and complete payroll records as required by law, including but not limited to the following records: total daily hours worked, applicable rates of pay, time records showing when Employee and other Aggrieved Employees began and ended each work period, time records of meal periods, and accurate itemized wage statements.

Based on information and belief, Employers at times failed and continue at times to fail to keep accurate and complete records showing total hours worked by Employee and Aggrieved Employees, or some of them, by virtue of Employers’ time rounding and/or auto deduction policies and practices and/or other off-the-clock work policies and practices.

Employers failed at times and continue at times to fail to keep accurate and complete records showing total hours worked by virtue of Employers’ failure to relieve Employee and Aggrieved Employees, or some of them, of all duties and Employers’ control for unpaid meal periods, resulting in unpaid hours worked.

Based on information and belief, Employers further failed at times, and continue at times to fail, to record the true start and end times of Employee’s and Aggrieved Employees’ meal periods, or some

of them.

Based on further information and belief, Employers further failed at times and continue at times to fail, to record the true start and end times of Employee's and Aggrieved Employees' work shifts, or some of them.

Additionally, Employers at times failed, and continue at times to fail, to keep accurate records and issue accurate wage statements by not documenting accrued sick time for Employee and Aggrieved Employees, or some of them. Employers' failure to keep "accurate and complete" payroll records for Employee and Aggrieved Employees, or some of them, violates Labor Code sections 1174, 1198, and 1199, and all applicable IWC Wage Orders, section 7. These violations subject Employers to civil penalties under Labor Code sections 558.1, 226.6, 1174.5, and 2699. Each violation of each Labor Code section and IWC Wage Order provision, for each Aggrieved Employee (or some of them), results in a separate civil penalty.¹

Violation of Wage Theft Protection Act of 2011

Based on information and belief, Employers failed at times, and continue at times to fail, to comply with the notice requirements of Labor Code section 2810.5 (*i.e.*, the Wage Theft Protection Act of 2011) by, among other things, failing to provide Employee and Aggrieved Employees, or some of them, with the rates of pay and overtime rates of pay applicable to their employment, allowances claimed as part of the minimum wage, the regular payday designated by Employers, the name of the employer, including any "doing business as" names used, the name, address and telephone number of the workers' compensation insurance carrier, information regarding paid sick leave, and other pertinent information required to be disclosed by Employers under Labor Code section 2810.5. Employee is informed and believes that failure to provide such information, including rates of pay that are in effect, has permitted Employers to pay Aggrieved Employees, or some of them, at rates of pay that were not agreed upon and violate minimum wage and overtime wage laws in California. Employee is additionally informed and believes that the notice requirement of Labor Code section 2810.5 involves a mandatory payroll or workplace injury reporting. Among other relief, Aggrieved Employees, or some of them, may collect from Employers in connection with these violations' civil penalties pursuant to Labor Code sections 558 and 2699.

Violation of California Labor Code §§ 245-248.5

Throughout the relevant time period, Employers at times failed to provide proper paid sick leave to Employee and other Aggrieved Employees, or some of them. Employers either failed at times to provide paid sick leave at all or improperly calculated the sick leave accrual and the sick leave rate of pay owed to Employee and other Aggrieved Employees, or some of them, by failing at times to

¹ See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

base the accrued sick leave hours on the correct number of hours worked (as a result of the rounding/automatic deduction policies and practices for meal periods and/or shift start and end times/other required off-the-clock work including but not limited to unpaid meal periods that were restricted to Employers' premises) and by failing at times to incorporate multiple rates of pay and/or all non-discretionary remuneration, including but not limited to, non-discretionary bonuses, shift differential pay, and/or other non-discretionary compensation into the sick leave pay rate calculation.

Based on information and belief, Employers further failed at times to provide notice of the correct sick leave amount balance available to Employee and other Aggrieved Employees, or some of them, on their wage statements or other written statement.

Based on information and belief, Employers at times failed to put Aggrieved Employees, or some of them, on notice of their paid sick leave rights, thereby failing at times to put their entitlement to sick leave in a Labor Code section 2810.5 notice. In addition, Employers at times failed to maintain accurate records of used sick leave and the balance of paid sick leave left to the Aggrieved Employees, or some of them.

Based on information and belief, Employers at times failed to provide notice of sick leave amount balance left for Employee and other Aggrieved Employees, or some of them, thus affecting their intelligent exercise of their paid sick leave. But for this failure, Employee, and other Aggrieved Employees, or some of them, would have used their paid sick leave at least prior to their respective separations, for as on several occasions thereafter, he or she would have been entitled to use the banked sick leave and earn appropriate compensation.

This illegal retention of paid sick leave is unlawful, and Employee seeks all forms of injunctive relief, restitution, and declaratory relief as permitted by California law, on behalf of Employee and the Aggrieved Employees, or some of them.

In violation of Labor Code section 247.5, Employers at times failed to maintain records documenting the hours worked and paid sick days accrued and used by Employee and Aggrieved Employees, or some of them, permitting the presumption that Employee and these Aggrieved Employees, or some of them, were entitled to the maximum number of hours accruable under this article.

Upon information and belief, Employers at times further failed and continue at times to fail to comply with Labor Code section 246, by failing to provide Employee and Aggrieved Employees, or some of them, with a Labor Code section 226 wage statement, or separate writing containing the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, at the time it pays wages.

Employers at times unlawfully retained and continue at times to retain paid sick leave that should have been paid but was not, as a result of Employers' failure, at times, to properly institute a paid sick leave program.

On information and belief, Employee alleges that these practices at times were experienced and continue to be experienced at times by other Aggrieved Employees, or some of them.

Employee requests all appropriate relief under the PAGA and these statutes, including but not limited to the restitution of earned paid sick leave that could have been used, but was not due to Employers' sole failure to institute such a paid sick leave entitlement or paid sick leave bank as required by California law.

Accordingly, Employee and other Aggrieved Employees, or some of them, are entitled to injunctive relief, attorneys' fees, declaratory relief, restitution, and penalties as permitted by law. Employee requests all relief pursuant to the aforementioned code provisions, including but not limited to Labor Code sections 233 and 234, which incorporates the paid sick leave requirements.

Failure To Provide Supplemental Paid Sick Leave

Labor Code section 248.2 provides that all employers with 26 or more employees are required to provide up to 80 hours for covered employees to take 2021 COVID-19 Supplemental Paid Sick Leave to care for themselves, to care for a family member, or if it is vaccine-related. Based on information and belief, Employers at times violated Labor Code section 248.2 by not providing Aggrieved Employees, or some of them, with required 2021 COVID-19 Supplemental Paid Sick Leave.

Refusal to Make Payment

Labor Code section 216 declares unlawful an employer's refusal to pay wages due and payable and/or denial of the validity of any claim to wages due.

Employers at times violated and continue at times to violate Labor Code section 216 by failing to pay Employee and Aggrieved Employees, or some of them, for all hours worked at the proper wage rate and by failing to pay Employee and Aggrieved Employees, or some of them, an additional hour of pay for each meal and/or rest period not provided or that was invalid. *Gould v. Maryland Sound Industries, Inc.* (1995) 31 Cal.App.4th 1137, 1154-1155.

These violations subject Employers to civil penalties under Labor Code section 225.5. Each violation results in a *separate* civil penalty, for each Aggrieved Employee (or some of them) so affected, for each pay period (or some of them) during which the statute's provisions were violated.²

² Labor Code § 225.5 (establishing that “[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who unlawfully withholds wages due any employee in violation of sections 212, 216, 221, 222, or 223 shall be subject to a civil penalty...for each failure to pay each employee”) (emphasis added).

Seating Violations

Per section 14(A-B) of all applicable IWC Wage Orders, employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats and when they are not actively engaged in the work duties that would not permit them to be seated.

Section 14(A-B) of all applicable IWC Wage Orders provides:

(A) All working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats.

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

Suitable seating is one of the worker protections covered by California's IWC Wage Orders, which have the same dignity as statutes, are remedial in nature, and are to be broadly construed to effectuate the goal of protecting the comfort and welfare of employees. *Brinker Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004, 1027 (2012).

Based on information and belief, Employers at times failed to provide Aggrieved Employees, or some of them, with suitable seating, and when such employees, or some of them, were not engaged in duties which required them to stand, at times no seating was placed in reasonable proximity to their workstations.

Moreover, based on information and belief, the nature of the work reasonably permitted the use of seats for at least part of the time that Aggrieved Employees were working. Lastly, based on information and belief, Aggrieved Employees at times were not engaged in active duties of their employment, yet at times there were no suitable seats in reasonable proximity to the work area, and use of seats would not have interfered with the performance of their duties.

Aggrieved Employees worked in various positions. The nature of Employee's and other Aggrieved Employees' work, or some of them, reasonably permitted the use of seats. However, Employers at times failed to provide suitable seating in reasonable proximity to Aggrieved Employees' work areas, or some of them, in violation of section 14(A-B) of the applicable IWC Wage Orders, and Labor Code sections 1198 and 1199, subjecting Employers to civil penalties under Labor Code sections 1199 and 2699. Each violation of each Labor Code section and IWC Wage Order provision, for each Aggrieved Employee, or some of them, results in a separate civil penalty.³

³ See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

Statutory Wage Violations

Labor Code section 223 makes it unlawful for an employer to secretly pay wages lower than required by statute while purporting to pay legal wages.

As described above, Employers at times willfully and systematically denied Employee and other Aggrieved Employees, or some of them, of minimum and overtime wage compensation for all hours worked which resulted in the payment of less than statutorily required wages owed to them. Employers at times acted with the intent to deprive some or all of them of statutory wages, including, but not limited to, overtime wages and minimum wages, to which they were entitled to under California law.

Thus, Employers at times paid Employee and other Aggrieved Employees, or some of them, lower wages than those to which they were entitled, while purporting that Employee and all Aggrieved Employees were properly paid. As such, Employee and Aggrieved Employees, or some of them, are entitled to recover penalties, attorneys' fees, costs, and interest thereon, pursuant to Labor Code § 2699(f)-(g).

Failure to Pay Vested Vacation/Paid Time Off

California Labor Code section 227.3 provides that when an employer policy provides for paid vacations and/or paid time off, and an employee is terminated without having taken off his, her, or their vested vacation time, all vested vacation shall be paid to the employee as wages at the employee's final rate in accordance with such contract of employment or employer policy respecting eligibility or time served and that there shall be no forfeiture of vested vacation time or paid time off upon termination. Based on information and belief, Employers at times had and continue at times to have a policy and/or practice of failing to allow Aggrieved Employees, or some of them, and exempt Aggrieved Employees, or some of them, to use their earned vacation/paid time off during their employment and failing at times to pay all vested, accrued paid time off to Aggrieved Employees, or some of them, and/or exempt Aggrieved Employees, or some of them, upon separation of employment, in violation of California law, including but not limited to, Labor Code section 227.3.

Failure to Timely Provide Temporary Workers with Owed Wages

On information and belief, Employers at times had and have failed to provide temporary workers, or some of them, with owed wages weekly by not later than the regular payday of the following week. As a result, pursuant to Labor Code section 201.3, Employers would be liable for civil penalties pursuant to Labor Code sections 201.3.

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Unlawful Agreements/ Unlawful Criminal History Inquiries

Unlawful Agreements

Labor Code section 432.5 provides that “no employer ... shall require any employee or applicant for employment to agree, in writing, to any term or condition which is known by such employer ... to be prohibited by law.” Based on information and belief, Employers at times required Employee, Aggrieved Employees, and exempt Aggrieved Employees, or some of them, to agree in writing to unlawful conditions of employment including but not limited to unlawful non-compete and/or non-solicitation agreements as well as unlawful criminal and/or financial checks as a condition of obtaining and/or continuing employment in violation of Labor Code section 432.5.

The California Labor Code places certain procedural and substantive limits on employers’ ability to conduct employee background checks and on how employers can use the information they obtain through those background checks. Labor Code section 1024.5 states that employers, except for financial institutions, may order a credit check only if the individual works (or is applying to work) in certain positions (e.g., managerial positions, financially related positions, and certain government positions). Additionally, the Investigative Consumer Reporting Agencies Act (ICRAA - CA Civil Code section 1786, *et seq.*) and the Fair Credit Reporting Act (FCRA - 15 U.S.C. section 1681, *et seq.*) mandate several requirements prior to and following an employee background check, including but not limited to identifying an appropriate reason for the background check, a separate consent form with required disclosures and certain formatting requirements, additional forms such as a summary of rights, a way by which to request a copy of the report, as well as proper notice of adverse actions taken, among other statutory requirements.

Based on information and belief, Employers at times ordered unlawful financial credit checks on Aggrieved Employees and exempt Aggrieved Employees, or some of them, in violation of Labor Code section 1024.5, and at times required Aggrieved Employees and exempt Aggrieved Employees, or some of them, to provide ongoing written consent to the unlawful credit checks as a condition of employment, in violation of California and Federal law, which results in a further violation of Labor Code section 432.5.

Based on information and belief, Employers also at times required Aggrieved Employees and exempt Aggrieved Employees, or some of them, to submit and/or agree to submit in writing to unlawful criminal background checks as a condition of obtaining and/or holding employment in violation of the ICRAA and the FCRA. For example, based on information and belief, Employers required Employee to submit and/or agree to submit in writing to an unlawful background check as a condition of obtaining and/or holding employment in violation of, including but not limited to, Labor Code section 432.5.

Based on information and belief, Employers at times required Aggrieved Employees and exempt Aggrieved Employees, or some of them, to agree in writing to a background check which failed to abide by the requirements set forth in California Civil Code section 1786, *et seq.* and 15 U.S.C.

section 1681, *et seq.*, including but not limited to by failing, at times, to provide a clear and conspicuous disclosure (and/or failing to provide any disclosure at all), failing at times to provide disclosures free of extraneous information, failing at times to provide a lawful purpose for the background check, failing at times to provide a summary of rights under the ICRAA and/or the FRCA, failing at times to provide a way by which the individual could request a copy of the report, failing at times to disclose the name, address, and telephone number of the third party preparing the report, and failing at times to properly obtain authorization or consent to such a background check, and thus was an unlawful background check.

By at times requiring Aggrieved Employees and exempt Aggrieved Employees, or some of them, to agree in writing to unlawful criminal and/or financial checks not in conformance with the applicable laws, Employers violated Labor Code section 432.5.

Based on information and belief, Employers also at times required Aggrieved Employees and exempt Aggrieved Employees, or some of them, to agree in writing to provide ongoing consent to Employers to conduct background checks throughout the duration of employment, in violation of the ICRAA and/or FCRA and/or other applicable laws, resulting in a further violation of Labor Code section 432.5, by at times requiring applicants and employees, or some of them, to agree to an unlawful provision as a condition of employment.

Based on further information and belief, Employers knew that requiring Aggrieved Employees and exempt Aggrieved Employees, or some of them, to agree at times to unlawful criminal and/or financial background checks as a condition of obtaining and/or holding employment was unlawful.

By requiring Aggrieved Employees and exempt Aggrieved Employees, or some of them, to agree at times in writing to unlawful provisions as a condition of employment, Employers violated Labor Code section 432.5.

Unlawful Inquires into Criminal History

Labor Code section 432.7 prohibits an employer from asking applicants about past arrest(s) unless they resulted in conviction(s) and even then, certain limitations apply. Based on information and belief, Employers at times asked Aggrieved Employees and exempt Aggrieved Employees, or some of them, about arrests not resulting in convictions on their employment application, in violation of California law.

Upon information and belief, Employers, in violation of California law, including but not limited to the Fair Chance Act/the California Fair Employment and Housing Act (“FEHA”), at times asked Aggrieved Employees and exempt Aggrieved Employees, or some of them, about convictions prior to extending an offer of employment and/or otherwise impermissibly inquired into criminal history on their employment application in violation of California law.

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By asking, at times, about arrests not resulting in convictions, Employers violated Labor Code section 432.7. By asking, at times, about convictions at the application phase or prior to extending an employment offer, Employers violated California's Fair Chance Act, and thereby violated Labor Code section 432.5 by unlawfully requiring Aggrieved Employees and exempt Aggrieved Employees, or some of them, to agree in writing to disclose arrests and/or convictions as a condition of employment.

Unlawful PAGA Waiver

Additionally, Employers at times violated Labor Code section 432.5 by requiring Employee, Aggrieved Employees, and exempt Aggrieved Employees, or some of them, to agree in writing to other unlawful agreements, including but not limited to an unlawful waiver of PAGA and or representative actions, as a condition of employment.

An action pursuant to PAGA "...is a representative action on behalf of the state" *Kim v Reins Int'l California, Inc.*, (2020) 9 Cal. 5th 73, 86-87. It is well settled that agreements purporting to waive an employee's right to a trial of PAGA claims is contrary to California law and unenforceable. *See Iskanian v CLS Transportation Los Angeles, LLC* (2014) 59 Cal. 4th 348, 384 ("We conclude that where, as here, an employment agreement compels the waiver of representative claims under the PAGA, it is contrary to public policy and unenforceable as a matter of state law.").

Moreover, the California Supreme Court has ruled that a court cannot compel arbitration of an aggrieved employee's individual PAGA claim because there is no such thing as an individual PAGA claim. *Kim v Reins Int'l California, Inc.*, (2020) 9 Cal. 5th 73, 86-87 ("There is no individual component to a PAGA action because 'every PAGA action ... is a representative action on behalf of the state.'").

Upon information and belief, Employers at times required Employee, Aggrieved Employees, and exempt Aggrieved Employees, or some of them, to agree in writing to waive their right to a trial of PAGA claims in violation of California law. By at times requiring Employee, Aggrieved Employees, and exempt Aggrieved Employees, or some of them, to agree, in writing, to an unlawful PAGA waiver, Employers at times required written agreement to an unlawful provision as a condition of employment, which is a violation of labor code section 432.5.

As such, Employee, Aggrieved Employees, and exempt Aggrieved Employees, or some of them, continue to be subject at times to various unlawful provisions as a condition of employment.

Preventing Employees from Using or Disclosing Skills, Knowledge, and Experience

On information and belief, Employers at times have prevented Employee and/or other Aggrieved Employees, or some of them, from using or disclosing the skills, knowledge, and experience they obtained at Employers for purposes of competing with Employers, including, without limitation, preventing Employees, or some of them, from disclosing their wages in negotiating a new job with

a prospective employer, and from disclosing who else works at Employers and under what circumstances they might be receptive to an offer from a rival employer. As such, Employee is informed and believes, this violates Business and Professions Code sections 17200, 16600, and 16700 and, by virtue thereof, various provisions of the Labor Code, including Labor Code sections 232, 232.5, and 1197.5, subdivision (k). Employers would be liable for civil penalties pursuant to Labor Code section 2699.

Whistleblower Violations

On information and belief, Employers at times have prevented Employee and/or other Aggrieved Employees, or some of them, from disclosing violations of state and federal law, either within Employers to their managers or outside Employers to private attorneys or government officials, among others, in violation of Business and Professions Code section 17200, and thus in violation of Labor Code section 1102.5. In addition, Employee is informed and believes that these policies and/or practices at times prevent Employee and/or other Aggrieved Employees, or some of them, from disclosing information about unsafe or discriminatory working conditions, or about wage and hour violations in violation of Labor Code sections 98.6, 232, and 232.5. These violations of the Labor Code would expose Employers to liability for civil penalties pursuant to Labor Code section 2699.

Workplace Health and Safety Violations

On information and belief, Employers at times have failed to furnish and use safety devices and safeguards, and adopt and use practices, means, methods, operations, and processes which are reasonably adequate to render such employment and place of employment safe and healthful, pursuant to, including but not limited to, Labor Code section 6401. Employee is informed and believes, and based thereon alleges, that Employers at times have required or permitted employees, or some of them, to go or be in any employment or place of employment which is not safe and healthful, pursuant to Labor Code section 6402. Employee is informed and believes, and based thereon alleges, that Employers at times have failed or neglected to provide and use safety devices and safeguards reasonably adequate to render the employment and place of employment safe; adopt and use methods and processes reasonably adequate to render the employment and place of employment safe; and do every other thing reasonably necessary to protect the life, safety, and health of employees, pursuant to Labor Code section 6403. Employee is informed and believes, and based thereon alleges, that these failures include, without limitation, at times failing to disinfect time clocks and other surfaces after use by Employee and/or other Aggrieved Employees, or some of them; at times failing to provide adequate protection equipment to Employee and/or other Aggrieved Employees, or some of them; and at times failing to provide adequate distance in working conditions between Employee and/or other Aggrieved Employees, or some of them.

On information and belief, Employers violated section 1527, 3366, 3457, and 8397.4 by failing at times to provide adequate and readily accessible sanitation facilities; a regular schedule for servicing, cleaning, and supplying each facility to ensure it is maintained in a clean, sanitary, and

serviceable condition; an adequate supply of suitable cleansing agents, water, single-use towels, or blowers; and a sufficient number of toilets to be used by each sex of employee.

Action for Civil Penalties Under PAGA

In light of the above, Employee alleges that Employers at times violated the following provisions of the Labor Code with respect to the Aggrieved Employees, or some of them:

1. Labor Code §§ 204, 510, 1194, 1197, and 1198 by failing at times to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable IWC Wage Orders by failing at times to provide meal periods;
3. Labor Code § 226.7 and applicable IWC Wage Orders by failing at times to authorize and permit rest periods;
4. Labor Code § 204 by failing at times to pay all earned wages two times per month;
5. Labor Code § 1174.5 and applicable IWC Wage Orders by failing at times to maintain accurate records of hours worked and meal periods taken or missed;
6. Labor Code §§ 201 to 203 by willfully failing at times to pay all wages owed at termination;
7. Labor Code § 226 by failing at times to provide accurate itemized wage statements;
8. Labor Code § 2802 by failing at times to indemnify for necessary expenditures;
9. Labor Code §§ 226, 432, and 1198.5 by failing at times to timely produce requested payroll records, timecards, and personnel records;
10. Labor Code § 1174 by failing at times to keep accurate and complete payroll records;
11. Labor Code §§ 245-248.5 by failing at times to provide proper sick leave and supplemental paid sick leave;
12. Labor Code § 216 for refusal at times to pay wages due and payable and/or denial at times of the validity of any claim to wages due;
13. Labor Code § 223 for at times secretly paying wages lower than required by statute while purporting to pay legal wages;
14. Labor Code § 227.3 for failure at times to pay vested vacation and/or paid time off;
15. Section 14(A-B) of all applicable IWC Wage Orders for failure at times to provide suitable seating;
16. Labor Code § 432.5 for unlawful agreements;
17. Labor Code § 201.3 for failure at times to timely provide temporary workers, or some of them, with wages;
18. Labor Code §§ 98.6, 232, 232.5, 1102.5, and 1197.5 for at times preventing employees, or some of them, from using or disclosing the skills, knowledge, and experience they obtained at Employers, and whistleblower violations;
19. Labor Code § 432.7 for unlawful inquiries at times into criminal histories; and
20. Labor Code §§ 1527, 3366, 3457, 8397.4, 6401, and 6401 for workplace health and safety violations.

Therefore, on behalf of potentially Aggrieved Employees, Employee seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 1174.5, 1197.1, and 2699.

Employers are in direct violation of numerous California wage and hour laws including but not limited to said sections stated above. We hereby provide notice under the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698, et seq., and specifically ask for an investigation, or if the agency does not intend to investigate the alleged violations, a letter confirming the same so that we may allege a cause of action under PAGA against Employers for the violations discussed in this letter.

This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3. By law, an employee alleging a violation of one of the above referenced sections must notify his or her employer and the Labor and Workforce Development Agency (LWDA) before he or she can invoke the provisions of Sections 2699, et seq., by seeking redress in court. Cal. Lab. Code § 2699.3(a)(1). The LWDA must then notify the employer and the employee within 60 calendar days regarding whether it intends to investigate the alleged violation. Cal. Lab. Code § 2699.3(a)(2)(B). If the LWDA advises it will not investigate, or if no notice is provided within 65 calendar days, the employee may file a lawsuit invoking the provisions under California Labor Code § 2699. Cal. Lab. Code § 2699.3(a)(2)(A). It is Employee's intention to file a civil complaint and to bring the appropriate claims under California Labor Code § 2699 on behalf of herself, the State of California, and all Aggrieved Employees should your office not address Employers' alleged violations within this time.

If you have any questions or require additional information, please do not hesitate to contact my office. Thank you for your attention to this matter.

BLACKSTONE LAW

Miriam L. Schimmel

Miriam Schimmel, Esq.

cc: By U.S. Certified Mail, Return Receipt Requested, and E-Mail

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EXHIBIT D

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1 3. On July 5, 2023, Plaintiff Hale filed a Class Action Complaint in the action entitled
2 *Djuana Shanella Hale v. Welbe Health, LLC, et al.*, San Joaquin County Superior Court Case No.
3 STK-CV-UOE-2023-0006866 (“Action”) against Welbe Health, LLC and Stockton, PACE, LLC,
4 asserting the following causes of action: (1) Violation of California Labor Code Sections 510 and
5 1198 (Unpaid Overtime); (2) Violation of California Labor Code Sections 1194, 1197, and 1197.1
6 (Unpaid Minimum Wages); (3) Violation of California Labor Code Sections 226.7 and 512
7 (Unpaid Meal Period Premiums); (4) Violation of California Labor Code Section 226.7 (Unpaid
8 Rest Period Premiums); (5) Violation of California Labor Code Section 226(a) (Failure to Provide
9 Accurate Wage Statements); (6) Violation of California Labor Code Sections 201, 202, and 203
10 (Final Wages Not Timely Paid); (7) Violation of California Labor Code Sections 2800 and 2802
11 (Failure to Reimburse Necessary Business Expenses); and (8) Violation of California Business
12 and Professions Code Sections 17200 et seq. (Unfair and Unlawful Business Practices).

13 4. On September 8, 2023, Plaintiff Hale filed a Complaint for Enforcement Action
14 Under the Private Attorneys General Act, Labor Code §§ 2698 et seq. in the action entitled *Djuana*
15 *Shanella Hale v. Welbe Health, LLC, et al.*, San Joaquin County Superior Court Case No. STK-
16 CV-UOE-2023-0009670 (“*Hale* PAGA Action”) asserting one cause of action under the Private
17 Attorneys General Act of 2004 pursuant to California Labor Code Section 2698 et seq. (“PAGA”).

18 5. On October 30, 2023, Plaintiff Gilbert filed a Class Action Complaint in the action
19 entitled *Shannon Gilbert v. LA Coast Pace, LLC, et al.*, Los Angeles County Superior Court Case
20 No. 23STCV26547 (“*Gilbert* Action”) against LA Coast PACE, LLC, Welbe Health Bay Area
21 PACE, LLC, WelbeHealth Inland Empire PACE, LLC, and Welbe Health San Bernardino PACE,
22 LLC asserting the following causes of action: (1) Failure to Pay Minimum and Straight Time
23 Wages (Cal. Lab. Code §§ 204, 1194, 1994.2, and 1197); (2) Failure to Pay Overtime Wages (Cal.
24 Lab. Code §§ 1194 and 1198); (3) Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7, 512);
25 (4) Failure to Authorize and Permit Rest Periods (Cal. Lab. Code § 226.7); (5) Failure to Timely
26 Pay Final Wages at Termination (Cal. Lab. Code §§ 201-203); (6) Failure to Provide Accurate
27 Itemized Wage Statements (Cal. Lab. Code § 226); (7) Failure to Indemnify Employees for
28 Expenditures (Cal. Lab. Code § 2802); (8) Failure to Produce Requested Employment Records

(Cal. Lab. Code §§ 226 and 1198.5); and (9) Unfair Business Practices (Cal. Bus. & Prof. Code §§ 17200 *et seq.*).

6. On November 29, 2023, Plaintiff Hernandez filed a Class Action Complaint in the action entitled *George Hernandez v. Welbe Health HC Nocal, LLC, et al.*, Stanislaus County Superior Court Case No. CV-23-007017 (“*Hernandez Action*”) against Welbe Health HC Nocal, LLC and Stockton PACE, LLC asserting the following causes of action: (1) Failure to Pay Minimum and Straight Time Wages (Cal. Lab. Code §§ 204, 1194, 1994.2, and 1197); (2) Failure to Pay Overtime Wages (Cal. Lab. Code §§ 1194 and 1198); (3) Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7, 512); (4) Failure to Authorize and Permit Rest Periods (Cal. Lab. Code § 226.7); (5) Failure to Timely Pay Final Wages at Termination (Cal. Lab. Code §§ 201-203); (6) Failure to Provide Accurate Itemized Wage Statements (Cal. Lab. Code § 226); (7) Failure to Indemnify Employees for Expenditures (Cal. Lab. Code § 2802); and (8) Unfair Business Practices (Cal. Bus. & Prof. Code §§ 17200 *et seq.*)

7. On December 12, 2023, Plaintiff Gilbert provided written notice to the LWDA of the specific provisions of the California Labor Code alleged to have been violated by Defendants (“Gilbert LWDA Letter”). Together, the Hale LWDA Letter and the Gilbert LWDA Letter are referred to as the “LWDA Letters.”

8. The Parties explored settlement by exchanging pre-settlement documents and data, including a randomly selected sample of time clock and payroll data. After the pre-mediation production and assessment, on July 31, 2024, the Parties participated in private mediation before Brandon McKelvey, Esq., a well-respected mediator, and with the assistance of the mediator’s evaluations, the Parties reached an arms-length settlement of the Action, *Hale* PAGA Action, *Gilbert* Action, and *Hernandez* Action (collectively, “Actions”), which has been memorialized into this Stipulation of Settlement.

9. On September 18, 2024, pursuant to the settlement, Plaintiffs filed a First Amended Class and Representative Action Complaint (“Operative Complaint”) in the Action, which added all Plaintiffs, Defendants (which includes additional defendants that were settled on in order to effectuate the terms of the settlement), and claims alleged in the *Hale* PAGA Action,

1 the *Gilbert* Action, and the *Hernandez* Action. The Operative Complaint asserts the following
2 causes of action: (1) Violation of California Labor Code Sections 510 and 1198 (Unpaid
3 Overtime); (2) Violation of California Labor Code Sections 1194, 1197, and 1197.1 (Unpaid
4 Minimum Wages); (3) Violation of California Labor Code Sections 226.7 and 512 (Unpaid Meal
5 Period Premiums); (4) Violation of California Labor Code Section 226.7 (Unpaid Rest Period
6 Premiums); (5) Violation of California Labor Code Section 226(a) (Failure to Provide Accurate
7 Wage Statements); (6) Violation of California Labor Code Sections 201, 202, and 203 (Final
8 Wages Not Timely Paid); (7) Violation of California Labor Code Sections 2800 and 2802 (Failure
9 to Reimburse Necessary Business Expenses); (8) Violation of California Labor Code Sections 226
10 and 1198.5 (Failure to Produce Requested Employment Records); (9) Violation of California
11 Business and Professions Code Sections 17200*et seq.* (Unfair and Unlawful Business Practices);
12 and (10) Violation of California Labor Code Sections 2698 *et seq.* (California Labor Code Private
13 Attorneys General Act of 2004).

14 10. The Actions have been actively litigated. There have been on-going
15 investigations, there has been an exchange of documentation and data, and the Parties have
16 participated in extensive settlement negotiations and private mediation. Plaintiffs have not filed a
17 motion for class certification in the Action, nor has a date been set by the Court for the filing of
18 such a motion.

19 11. For purposes of this Settlement, the following definitions apply (definitions
20 contained elsewhere in this Settlement will also be effective):

21 a. “Class” or “Class Member(s)”: All current and former hourly-paid and/or
22 non-exempt employees who worked for Defendants in the State of California at any time during
23 the Class Period. The Class will not include any person who previously settled or released any of
24 the claims covered by the Settlement, or any person who previously was paid or received awards
25 through civil or administrative actions for the claims covered by the Settlement.

26 b. “Class Counsel”: Jonathan M. Genish, Miriam L. Schimmel, Joana Fang,
27 and Alexandra Rose of Blackstone Law, APC.
28

1 c. "Class Period": April 30, 2019 through September 29, 2024, subject to
2 Paragraph 17(c)(ix) below.

3 d. "Class Settlement": The settlement and resolution of all Released Class
4 Claims.

5 e. "PAGA Members": All current and former hourly-paid and/or non-exempt
6 employees who worked for Defendants in the State of California at any time during the PAGA
7 Period.

8 f. "PAGA Period": July 3, 2023 through September 29, 2024, subject to
9 Paragraph 17(c)(ix) below.

10 g. "PAGA Settlement": The settlement and resolution of all Released PAGA
11 Claims.

12 h. "PAGA Workweeks": The number of weeks each PAGA Member worked
13 for Defendants as an hourly-paid and/or non-exempt employee in California during the PAGA
14 Period.

15 i. "Settlement Class" or "Settlement Class Member(s)": All Class Members
16 who do not submit a timely and valid Request for Exclusion.

17 j. "Workweeks": The number of weeks each Class Member worked for
18 Defendants as an hourly-paid and/or non-exempt employee in California during the Class Period.

19 12. Solely for purpose of settling the Action, the Parties stipulate and agree that the
20 requisites for establishing class certification with respect to the Class have been met for Settlement
21 purposes only. More specifically, the Parties stipulate and agree that:

22 a. The Class is ascertainable and so numerous as to make it impracticable to
23 join all Class Members;

24 b. There are common questions of law and fact, including but not limited to
25 the following:

26 i. Whether Defendants complied with applicable laws affecting
27 Plaintiffs and the Class under the California Labor Code and the Wage Orders of the California
28 Industrial Welfare Commission; and

1 ii. Whether Plaintiffs and the Class are entitled to alleged unpaid
2 wages, penalties, interest, and attorneys' fees and costs.

3 c. Plaintiffs believe that Plaintiffs' claims are typical of the claims of the
4 members of the Class;

5 d. Plaintiffs believe that Plaintiffs will fairly and adequately protect the
6 interests of the Class, and that Class Counsel will fairly and adequately protect the interests of the
7 Class;

8 e. The prosecution of separate actions by individual members of the Class
9 would create the risk of inconsistent or varying adjudications, which would establish incompatible
10 standards of conduct; and

11 f. With respect to the Class, Plaintiffs believe that questions of law and fact
12 common to the members of the Class predominate over any questions affecting any individual
13 member in such Class, and a class action is superior to other available means for the fair and
14 efficient adjudication of the controversy.

15 13. Defendants deny any liability or wrongdoing of any kind whatsoever associated
16 with the claims alleged in the Operative Complaint, and further deny that, for any purpose other
17 than settling the Action, the Action is appropriate for class or representative treatment. With
18 respect to Plaintiffs' claims, Defendants contend, among other things, that they have complied
19 with all applicable state, federal, and local laws affecting Plaintiffs and the Class.

20 14. It is the desire of the Parties to fully, finally, and forever settle, compromise, and
21 discharge all disputes and claims arising from the allegations and causes of action stated in the
22 Operative Complaint.

23 15. Class Counsel have conducted a thorough investigation into the facts of the Action
24 and have diligently pursued an investigation of Class Members' claims against Defendants. Based
25 on their own independent investigation and evaluation, Class Counsel are of the opinion that the
26 Settlement with Defendants for the consideration and on the terms set forth in this Stipulation of
27 Settlement is fair, reasonable, and adequate, and is in the best interest of the Class in light of all
28 known facts and circumstances, including the risk of significant delay, the risk the Class will not

1 be certified by the Court, defenses asserted by Defendants, and numerous potential appellate
2 issues. Defendants and Defendants' counsel also agree that the Settlement is fair and in the best
3 interest of the Parties.

4 16. The Parties agree to cooperate and take all steps necessary and appropriate to
5 consummate this Settlement and for entry of judgment in accordance with this Settlement.

6 TERMS OF SETTLEMENT

7 17. NOW THEREFORE, in consideration of the mutual covenants, promises, and
8 agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

9 a. It is agreed by and among Plaintiffs and Defendants that the Action and any
10 claims, damages, or causes of action arising out of the Operative Complaint, which are the subject
11 of the Action, be settled and compromised as between the Class and Defendants, subject to the
12 terms and conditions set forth in this Stipulation of Settlement and the approval of the Court.

13 b. Effective Date: The "Effective Date" means the date when all of the
14 following events have occurred: (i) this Stipulation of Settlement has been executed by all Parties
15 and by counsel for Plaintiffs and Defendants; (ii) the Court has given preliminary approval to the
16 Settlement; (iii) the Class Notice has been provided to the Class, providing them with an
17 opportunity to opt out of or object to the Class Settlement; (iv) the Court has held a formal Final
18 Approval Hearing and entered a Final Approval Order and Judgment certifying the Settlement
19 Class and finally approving this Stipulation of Settlement, and without objection from the LWDA;
20 and (v) in the event there are objections to the Class Settlement which are not later withdrawn, the
21 later of the following events: when the period for filing any appeal, writ, or other appellate
22 proceeding opposing the Final Approval Order and Judgment has elapsed without any appeal, writ,
23 or other appellate proceeding having been filed; or any appeal, writ, or other appellate proceeding
24 opposing the Final Approval Order and Judgment has been dismissed finally and conclusively with
25 no right to pursue further remedies or relief; or any appeal, writ, or other appellate proceeding has
26 upheld the Court's Final Approval Order and Judgment with no right to pursue further remedies
27 or relief. In this regard, it is the intention of the Parties that the Effective Date shall not become
28 effective until the Final Approval Order and Judgment is completely final, and there is no further

1 recourse by an appellant or objector who seeks to contest the Final Approval Order and Judgment.
2 Except as to Defendants' rights under Paragraph 17(c)(ix) below, it is further agreed by the Parties
3 that the Effective Date will not become effective, if Defendants are required by the Court to pay
4 more than the total amount of the Maximum Settlement Amount (defined below) under the
5 Settlement under any circumstances. It is further agreed by and between the Parties that the
6 Effective Date shall not become effective, and Defendants shall not have any obligation (monetary
7 or otherwise) under the terms of this Settlement, unless and until any objections, writs, and/or
8 appeals, and any rights of appeal with respect to any objections or the Final Approval Order and
9 Judgment, have been finally exhausted and resolved upholding the terms of this Settlement.

10 c. Maximum Settlement Amount and Net Settlement Amount: To implement
11 the terms of this Settlement, Defendants, on behalf of the Released Parties, agree to pay a
12 maximum amount of Six Million Six Hundred Seventy-Five Thousand Dollars and Zero Cents
13 (\$6,675,000.00) ("Maximum Settlement Amount") into a Qualified Settlement Fund ("QSF")
14 within the meaning of Treasury Regulation Section 1.468B-1 *et seq.* to be established by the
15 Settlement Administrator within thirty (30) calendar days after the Effective Date as defined in
16 Paragraph 17(b) above (if final approval occurs without objectors, then the Effective Date will be
17 the date the Court enters the Final Approval Order and Judgment, or, if there are objections to the
18 Class Settlement, after the 60-day appeal period has expired without appeals or challenges if any
19 objections are not withdrawn on the record at final approval). Defendants shall provide all
20 information necessary for the Settlement Administrator to calculate necessary payroll taxes
21 including its official name, 8-digit state unemployment insurance tax ID number, and other
22 information requested by the Settlement Administrator, no later than thirty (30) calendar days after
23 the Effective Date. The Maximum Settlement Amount includes the following: Individual
24 Settlement Payments, Individual PAGA Payments, Attorneys' Fees and Costs, Enhancement
25 Awards, Settlement Administration Costs, and LWDA Payment. The Parties agree the Maximum
26 Settlement Amount will be fully paid out, with no residue returning to Defendants. At no time
27 shall Defendants have the obligation to segregate the funds comprising the Maximum Settlement
28 Amount, and Defendants shall retain exclusive authority over, and the responsibility for, those

1 funds. All Individual Settlement Payments, Individual PAGA Payments, Attorneys' Fees and
2 Costs, Enhancement Awards, Settlement Administration Costs, and LWDA Payment will be paid
3 out of the Maximum Settlement Amount. Except as to Paragraph 17(c)(ix) below, Defendants'
4 aggregate liability shall not exceed the Maximum Settlement Amount, except that Defendants will
5 pay the employers' share of the payroll taxes for the wage portion of the Individual Settlement
6 Shares in addition to the Maximum Settlement Amount. The "Net Settlement Amount," the
7 amount available for potential distribution to Settlement Class Members, shall be calculated by
8 deducting from the Maximum Settlement Amount the following: (i) Attorneys' Fees and Costs;
9 (ii) Enhancement Awards; (iii) PAGA Amount; and (iv) Settlement Administration Costs. Within
10 five (5) business days of the funding of the Maximum Settlement Amount, the Settlement
11 Administrator will issue the Individual Settlement Payments to Settlement Class Members,
12 Individual PAGA Payments to PAGA Members, LWDA Payment to the LWDA, Enhancement
13 Awards to Plaintiffs, Attorneys' Fees and Costs to Class Counsel, and Settlement Administration
14 Costs to itself. The Settlement Administrator shall also set aside the employer and employee-side
15 payroll taxes, contributions, and withholdings, and timely forward these to the appropriate
16 government authorities. Individual Settlement Payments to the Settlement Class Members, and
17 Individual PAGA Payments to the PAGA Members, will be calculated by the Settlement
18 Administrator as set forth below.

19 i. Individual Settlement Share Calculations: Each Class Member's *pro*
20 *rata* share of the Net Settlement Amount ("Individual Settlement Share") will be calculated and
21 apportioned from the Net Settlement Amount based on the Class Member's number of
22 Workweeks, as follows:

23 a. After preliminary approval, the Settlement Administrator
24 will divide the Net Settlement Amount by the Workweeks of all Class Members to yield the
25 "Estimated Workweek Value," and multiply each Class Member's individual Workweeks by the
26 Estimated Workweek Value to yield each Class Member's estimated Individual Settlement Share
27 that each Class Member may be entitled to receive under the Class Settlement.

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1 b. After final approval, the Settlement Administrator will
2 divide the final Net Settlement Amount by the Workweeks of all Settlement Class Members to
3 yield the “Final Workweek Value,” and multiply each Settlement Class Member’s individual
4 Workweeks by the Final Workweek Value to each Settlement Class Member’s final Individual
5 Settlement Share. Defendants shall provide the Settlement Administrator with the Class Member
6 Information, including Defendants’ timekeeping records and other relevant data and information
7 so that the Settlement Administrator may calculate the number of Workweeks worked by all Class
8 Members during the Class Period. In order to be counted as a Workweek, the Class Member must
9 have worked at least one day in that week. No claim form shall be required for Settlement Class
10 Members to be issued their “Individual Settlement Payment” (i.e., payment of their Individual
11 Settlement Share net of the employee’s share of taxes and withholdings).

12 ii. Individual PAGA Payment Calculations: Each PAGA Member’s
13 *pro rata* share of the PAGA Member Amount (“Individual PAGA Payment”) will be calculated
14 and apportioned from the PAGA Member Amount based on the PAGA Member’s number of
15 PAGA Workweeks, as follows: The Settlement Administrator will divide the PAGA Member
16 Amount, i.e., 25% of the PAGA Amount, by the PAGA Workweeks of all PAGA Members to
17 yield the “PAGA Workweek Value,” and multiply each PAGA Member’s individual PAGA
18 Workweeks by the PAGA Workweek Value to yield each PAGA Member’s Individual PAGA
19 Payment. The Settlement Administrator will calculate the number of PAGA Workweeks worked
20 by PAGA Members during the PAGA Period. In order to be counted as a PAGA Workweek, the
21 PAGA Member must have worked at least one day in that week. The Settlement Administrator
22 shall refer to the timekeeping records and other relevant information provided by Defendants for
23 purposes of the Settlement Administrator’s calculation of PAGA Workweeks worked by PAGA
24 Members. No claim form shall be required for PAGA Members to be issued their Individual PAGA
25 Payment.

26 iii. Allocation of Settlement Awards: The Parties have agreed, that
27 Individual Settlement Shares payable to eligible Class Members will be allocated from the Net
28 Settlement Amount and paid as follows: one-third (1/3) will be allocated to alleged unpaid wages

1 for which IRS Forms W-2 will be issued; and two-thirds (2/3) will be allocated to alleged unpaid
2 penalties, interest, and non-wage damages for which IRS Forms 1099-MISC will be issued (if
3 applicable). The Settlement Administrator will withhold the employee's share of taxes and
4 withholdings with respect to the wages portion of the Individual Settlement Shares, and issue
5 checks to Settlement Class Members for their Individual Settlement Payments. The employers'
6 share of taxes and withholdings on the wage portions of the Individual Settlement Shares will be
7 paid separately and in addition to the Maximum Settlement Amount. Each Individual PAGA
8 Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS
9 Form 1099-MISC (if applicable) by the Settlement Administrator.

10 iv. Settlement and PAGA Awards Do Not Trigger Additional Benefits:

11 All payments made under the Settlement shall be deemed to be paid to the payee solely in the year
12 in which such payments actually are issued to the payee. It is expressly understood and agreed that
13 the payments made under this Settlement shall not entitle any Settlement Class Member or PAGA
14 Member to additional compensation or benefits under any company bonus, contest, or other
15 compensation or benefit plan or agreement in place during the Class Period, nor will it entitle any
16 Settlement Class Member or PAGA Member to any increased retirement, 401(k) benefits or
17 matching benefits, or deferred compensation benefits. It is the intent of this Settlement that the
18 payments provided for in this Settlement Agreement are the sole payments to be made by
19 Defendants to the Settlement Class Members and the PAGA Members in connection with this
20 Settlement, and that the Settlement Class Members and PAGA Members are not entitled to any
21 new or additional compensation or benefits as a result of having received payments under this
22 Settlement (notwithstanding any contrary language or agreement in any benefit or compensation
23 plan document that might have been in effect during the Class Period).

24 v. PAGA Amount: Subject to Court approval, the Parties have agreed
25 to allocate Four Hundred Thousand Dollars and Zero Cents (\$400,000.00) of the Maximum
26 Settlement Amount to resolve Plaintiffs' representative claims under PAGA ("PAGA Amount").
27 Seventy-five percent (75%) of this amount, or in other words \$300,000.00, will be paid out of the
28 Maximum Settlement Amount to the LWDA ("LWDA Payment"), and the remaining twenty-five

1 percent (25%), or in other words \$100,000.00, will be paid to the PAGA Members (“PAGA
2 Member Amount”) on a *pro rata* basis, based on the total number of PAGA Workweeks worked
3 by each PAGA Member during the PAGA Period (i.e., the Individual PAGA Payments).

4 vi. Attorneys’ Fees and Costs: Defendants agree not to oppose or
5 impede any application or motion by Class Counsel for attorneys’ fees in the amount up to thirty-
6 five percent (35%) of the Maximum Settlement Amount (i.e., \$2,336,250.00 if the Maximum
7 Settlement Amount is \$6,675,000.00) and reimbursement of actual litigation costs and expenses
8 in an amount not to exceed Twenty-Two Thousand Dollars and Zero Cents (\$22,000.00), both of
9 which will be paid from the Maximum Settlement Amount and subject to Court approval (together,
10 “Attorneys’ Fees and Costs”). These amounts will cover any and all work performed and any and
11 all costs incurred by Class Counsel in connection with the litigation of the Actions, including
12 without limitation all work performed and costs incurred to date, and all work to be performed and
13 all costs to be incurred in connection with obtaining the Court’s approval of this Settlement
14 Agreement, including any objections raised and any appeals necessitated by those objections. The
15 Settlement Administrator shall issue an IRS Form 1099 to Class Counsel for the Attorneys’ Fees
16 and Costs. Any portion of the requested Attorneys’ Fees and Costs that is not awarded by the Court
17 to Class Counsel shall be reallocated to the Net Settlement Amount for the benefit of the Settlement
18 Class Members.

19 vii. Enhancement Awards: The Parties agree to the designation of
20 Plaintiffs as “Class Representatives.” Subject to Court approval, and subject to Plaintiffs’
21 execution of general releases of all claims under California Code of Civil Procedure section 1542,
22 Defendants agree not to oppose or impede any application or motion by Plaintiffs for
23 (“Enhancement Awards”) not to exceed Ten Thousand Dollars and Zero Cents (\$10,000.00) each
24 (total, \$30,000.00) to Plaintiffs. The Enhancement Awards paid to the Class Representatives are
25 subject to Court approval, and are in addition to any Individual Settlement Payment and/or
26 Individual PAGA Payment to which the Class Representatives are entitled under this Stipulation
27 of Settlement. The Enhancement Awards are to be part of, and to be deducted from, the Maximum
28 Settlement Amount. The Settlement Administrator will issue an IRS Form 1099 for the

1 Enhancement Awards to Plaintiffs, and Plaintiffs will be responsible for correctly characterizing
2 this compensation for tax purposes and for paying any taxes on the amounts received. Any portion
3 of the requested Enhancement Awards that is not awarded by the Court to the Class
4 Representatives shall be reallocated to the Net Settlement Amount for the benefit of the Settlement
5 Class Members.

6 viii. Settlement Administration Costs: The Parties have mutually agreed
7 to ILYM Group, Inc. (“Settlement Administrator”) to administer the Settlement. The Parties and
8 their counsel each represent that they do not have any financial interest in the Settlement
9 Administrator or otherwise have a relationship with the Settlement Administrator that could create
10 a conflict of interest. The Settlement Administrator will be paid for the reasonable costs of
11 administration of the Settlement and distribution of payments under the Settlement, which is
12 currently not to exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00) (“Settlement
13 Administration Costs”). These costs, which will be paid from the Maximum Settlement Amount,
14 are subject to Court approval. To the extent the actual Settlement Administrator’s costs are greater
15 than the estimated amount stated herein, such excess amount will be deducted from the Maximum
16 Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated,
17 and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment
18 to the Settlement Administrator to undertake the required settlement administration duties shall be
19 reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

20 ix. Escalator Clause: Defendants represented that the Class Members
21 worked 116,144 workweeks from April 30, 2019 to July 31, 2024. The Parties further agree that
22 if the total number of workweeks from April 30, 2019 to September 29, 2024 increases by more
23 than ten percent (10%) above 116,144 workweeks (i.e., to greater than 127,758 workweeks), then
24 the Maximum Settlement Amount will increase by the proportional amount for the percentage of
25 workweeks above ten percent (10%) (i.e., by the percentage of workweeks above 127,758
26 workweeks). Additionally, Defendants have the option to end the Class Period and PAGA Period
27 on the date the Court grants preliminary approval of the Settlement, however, should Defendants
28 choose this option, Defendants agree that the Maximum Settlement Amount will increase by the

1 proportional amount for the percentage of workweeks above the number of workweeks that existed
2 as of September 29, 2024. Defendants must make such election within five (5) business days after
3 the Settlement Administrator first provides the Parties with the number of total workweeks that
4 existed on the date the Court grants preliminary approval of the Settlement.

5 d. Right to Rescission: If more than seven and one-half percent (7.5%) of the
6 Class opts out of the Class Settlement by submitting valid and timely Requests for Exclusion as
7 set forth in the Notice of Proposed Class Action and PAGA Settlement, and Hearing Date for Final
8 Court Approval of Settlement (“Class Notice”), Defendants shall have the right (but need not) in
9 their sole discretion to rescind and void the Settlement, before final approval by the Court, by
10 providing written notice to Class Counsel no later than twenty-one (21) calendar days after the
11 Response Deadline. If Defendants exercise this option, Defendants shall pay any costs of
12 settlement administration incurred up to that date, but not to include Class Counsel’s fees and
13 costs.

14 SETTLEMENT ADMINISTRATION

15 18. The Settlement Administrator shall be mutually agreed upon by the Parties to
16 perform the customary duties of the Settlement Administrator, subject to Court approval. The
17 Settlement Administrator will mail the Class Notice to all Class Members and PAGA Members.
18 Defendants shall provide the Settlement Administrator with Class Member Information and other
19 relevant data and information, including Defendants’ timekeeping records, so that the Settlement
20 Administrator may conduct its duties, such as resolving Workweeks Disputes, if necessary. Upon
21 receipt of funds from Defendants, the Settlement Administrator will issue and send out Individual
22 Settlement Payment checks to Settlement Class Members and Individual PAGA Payment checks
23 to PAGA Members. All disputes relating to the Settlement Administrator’s performance of its
24 duties shall be referred to the Court, if necessary, which will have continuing jurisdiction over the
25 terms and conditions of this Stipulation of Settlement until all payments and obligations
26 contemplated by this Stipulation of Settlement have been fully carried out. The Settlement
27 Administrator shall create and maintain a webpage, which will include links to the Settlement
28 Agreement, Class Notice, Preliminary Approval Order, and Final Approval Order and Judgment

1 as they become available, until the Effective Date, unless otherwise agreed upon in this Settlement
2 Agreement. The website shall also include links to any other documents or information the
3 Settlement Administrator deems necessary to perform its duties.

4 a. Reports by the Settlement Administrator. The Settlement Administrator
5 shall provide weekly reports to counsel for the Parties providing: (a) the number of undeliverable
6 and re-mailed Class Notices; (ii) the number of Class Members who have submitted Workweeks
7 Disputes; (iii) the number of Class Members who have submitted Requests for Exclusion; and (iv)
8 the number of Settlement Class Members who have submitted Notices of Objection. Additionally,
9 the Settlement Administrator will provide to counsel for the Parties any updated reports regarding
10 the administration of the Settlement Agreement as needed or requested, and immediately notify
11 the Parties when it receives a request from an individual or any other entity regarding inclusion in
12 the Class and/or Settlement or regarding a Workweeks Dispute.

13 b. Certification of Completion. Upon completion of administration of the
14 Settlement, the Settlement Administrator will provide a written declaration under oath to certify
15 such completion to the Court and counsel for all Parties.

16 NOTICE TO THE CLASS

17 19. The Class Notice shall be jointly drafted by the Parties, and as approved by the
18 Court, shall be sent by the Settlement Administrator to the Class Members and PAGA Members
19 by First Class U.S. Mail. The Class Notice shall be substantially in the form identified as **Exhibit**
20 **1** to this Settlement.

21 20. The Parties agree Defendants will provide the Settlement Administrator with
22 relevant data and information, including timekeeping records, of Class Members and PAGA
23 Members, including a complete list containing the following information for each Class Member
24 and PAGA Member: full name, last-known address, last known telephone number, Social Security
25 number, dates worked from April 30, 2019 through September 29, 2024, dates worked from July
26 3, 2023 through September 29, 2024 (if applicable), and dates worked from April 30, 2019 through
27 the date on which the Court grants preliminary approval of the Settlement (“Class Member
28 Information”) within fourteen (14) calendar days after the Court grants preliminary approval of

1 the Settlement. The Parties agree the Class Members' and PAGA Members' contact information
2 and Social Security Numbers will be used only by the Settlement Administrator for the sole
3 purpose of effectuating the Settlement and will not be provided to Class Counsel at any time or in
4 any form. The Settlement Administrator shall take reasonable steps to protect the confidential and
5 private information of the Class Members and PAGA Members. To the extent Class Counsel
6 possesses or comes to possess the contact information and/or Social Security Numbers from the
7 Settlement Administrator, Class Counsel shall return all such information (including copies and
8 data or information derived therefrom) within seven (7) calendar days from the date the Court
9 finally approves the Settlement, shall destroy all copies in any form of such information, and shall
10 not retain, maintain, or use such information for any purpose. The information provided for above
11 shall be based on Defendants' payroll and other business records and in a format acceptable to the
12 Settlement Administrator. Defendants agree to consult with the Settlement Administrator prior to
13 the production date to ensure that the format will be acceptable to the Settlement Administrator.
14 The information will need to be provided to the Settlement Administrator by reasonable security
15 measures and reasonably secure technology.

16 21. Within seven (7) calendar days after the Settlement Administrator receives the
17 Class Member Information, the Settlement Administrator will mail the Class Notice to Class
18 Members and PAGA Members.

19 a. Class Notices returned to the Settlement Administrator as non-delivered
20 shall be resent promptly to the forwarding address, if any, on the returned envelope. If there is no
21 forwarding address, the Settlement Administrator will do a National Change of Address Database
22 check or skip-trace and re-mail the Class Notices within three (3) business days of receipt using
23 the Class Member's name, address, and/or Social Security Number; this search will be performed
24 only once per Class Member by the Settlement Administrator. Upon completion of these steps by
25 the Settlement Administrator, Defendants and the Settlement Administrator shall be deemed to
26 have satisfied their obligations to provide the Class Notice to the affected member of the Class. If
27 the affected member of the Class did not receive a Class Notice and did not submit a timely and
28 valid Request for Exclusion, then the affected member of the Class shall be a member of the

1 Settlement Class and shall be bound by all the terms of the Stipulation of Settlement and the
2 Court's Final Approval Order and Judgment.

3 b. The Class Notice shall also identify the procedures for opting out of or
4 objecting to the Class Settlement.

5 c. Class Counsel shall provide to the Court, at least sixteen (16) court days
6 before the Final Approval Hearing, a declaration by the Settlement Administrator of due diligence
7 and proof of mailing with regard to the mailing of the Class Notice.

8 ADMINISTRATION PROCESS

9 22. The Class Members will have forty-five (45) calendar days from the date of the
10 initial mailing of the Class Notice to submit Requests for Exclusion, Notices of Objection, and/or
11 Workweeks Dispute ("Response Deadline"), unless the 45th day falls on a Sunday or Federal
12 holiday, in which case the Response Deadline will be extended to the next day on which the United
13 States Postal service is open. In the event that a Class Notice is re-mailed to a Class Member, the
14 Response Deadline for that Class Member shall be extended fifteen (15) calendar days from the
15 original Response Deadline.

16 23. The Settlement Administrator shall mail Individual Settlement Payments to
17 Settlement Class Members and Individual PAGA Payments to PAGA Members by way of check.
18 When issuing payments, the Settlement Administrator may combine the Individual Settlement
19 Payment and Individual PAGA Payment into one check if the intended recipient for both payments
20 is one individual. Individual Settlement Payment checks and Individual PAGA Payment checks
21 shall remain valid and negotiable for one hundred eighty (180) calendar days from the date of their
22 issuance, and thereafter, shall be canceled. The Parties agree the Settlement Administrator will
23 send one (1) reminder postcard to all Settlement Class Members and PAGA Members who have
24 not cashed their Individual Settlement Payment or Individual PAGA Payment check within thirty
25 (30) calendar days prior to the 180-day deadline. The checks provided to Settlement Class
26 Members and PAGA Members shall prominently state the expiration date or a statement that the
27 checks will expire in one hundred eighty (180) calendar days. Expired Individual Settlement
28 Payments and Individual PAGA Payment checks will not be reissued, except for good cause and

1 as mutually agreed by the Parties in writing as long as the Settlement Administrator has not
2 transmitted the funds to the *cy pres*. Any residue from canceled Individual Settlement Payment
3 and/or Individual PAGA Payment checks will be transmitted by the Settlement Administrator after
4 the one hundred eighty (180)-calendar day check cashing period expires to California Rural Legal
5 Assistance, Inc. (the proposed *cy pres*) pursuant to California Code of Civil Procedure section
6 384(b). The Parties and their counsel each represent that they do not have any financial interest in,
7 or otherwise have a relationship with, the proposed *cy pres* recipient that could create a conflict of
8 interest. The Settlement Administrator shall undertake amended and/or supplemental tax filings
9 and reporting required under applicable local, state, and federal tax laws that are necessitated due
10 to the cancelation of any Individual Settlement Payment and/or Individual PAGA Payment checks.
11 To the extent that the Settlement Administrator is able to obtain or receive the return or refund of
12 the amounts that were transmitted to taxing authorities for the employees' share of taxes,
13 contributions, and/or withholding associated with canceled Individual Settlement Payments, all
14 such amounts shall also be transmitted to California Rural Legal Assistance, Inc. Settlement Class
15 Members whose Individual Settlement Payment checks are canceled shall, nevertheless, be bound
16 by the Class Settlement, and PAGA Employees whose Individual PAGA Payment checks are
17 canceled shall, nevertheless, be bound by the PAGA Settlement. Prior to issuing the Individual
18 Settlement Payment and Individual PAGA Payment checks and upon completion of its calculation
19 of payments, the Settlement Administrator shall provide the Parties with a report listing the amount
20 of all payments to be made to each Settlement Class Member and PAGA Member. Proof of
21 compliance with the Court's Final Approval Order and Judgment will be provided to counsel for
22 the Parties by the Settlement Administrator within twenty-one (21) calendar days after all payment
23 obligations and the check cashing deadline has passed.

24 REQUESTS FOR EXCLUSIONS, NOTICES OF
25 OBJECTION, AND WORKWEEKS DISPUTES

26 24. Disputes Regarding Workweeks and/or PAGA Workweeks. Class Members and
27 PAGA Members will have an opportunity to dispute the number of Workweeks and/or PAGA
28 Workweeks to which they have been credited, as reflected in their respective Class Notices, by

1 submitting a timely and valid letter (“Workweeks Dispute”) to the Settlement Administrator. A
2 Workweeks Dispute must: (a) contain the case name and number of the Action; (b) contain the
3 Class Member or PAGA Member’s full name, signature, address, telephone number, and the last
4 four (4) digits of the Class Member or PAGA Member’s Social Security number; (c) clearly state
5 that the Class Member or PAGA Member disputes the number of Workweeks and/or PAGA
6 Workweeks credited to the Class Member or PAGA Member and what the Class Member or
7 PAGA Member contends is the correct number; and (d) be returned by mail to the Settlement
8 Administrator at the specified address, postmarked on or before the Response Deadline. The date
9 of the postmark on the return mailing envelope will be the exclusive means to determine whether
10 a Workweeks Dispute has been timely submitted. The Settlement Administrator’s calculation of
11 the number of Workweeks and PAGA Workweeks will be presumed to be correct unless a
12 particular Class Member or PAGA Member proves otherwise to the Settlement Administrator by
13 credible written evidence. The Settlement Administrator shall refer to the timekeeping records and
14 other relevant information provided by Defendants for resolution of any Workweeks Dispute by a
15 particular Class Member or PAGA Member. All Workweeks Disputes will be resolved and
16 decided by the Settlement Administrator, and the Settlement Administrator’s decision on all
17 Workweeks Disputes will be final and non-appealable.

18 25. Opting Out of the Class Settlement. For those Class Members who do not wish to
19 participate in the Class Settlement, such Class Members may exclude themselves by submitting a
20 timely and valid written letter (“Request for Exclusion”) to the Settlement Administrator. A
21 Request for Exclusion must: (a) contain the case name and number of the Action; (b) contain the
22 Class Member’s full name, signature, address, telephone number, and last four (4) digits of the
23 Class Member’s Social Security number; (c) clearly state that the Class Member does not wish to
24 be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at
25 the specified address, postmarked on or before the Response Deadline. The date of the postmark
26 on the return mailing envelope will be the exclusive means to determine whether a Request for
27 Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class
28 Counsel and Defendants’ counsel the number of timely and valid Requests for Exclusion that are

submitted, and also identify the individuals who have submitted a timely and valid Request for Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing. Any Class Member who submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will not be issued an Individual Settlement Payment. Any Class Member who submits a timely and valid Request for Exclusion will not be allowed to object to the terms of the Class Settlement. Any Class Member who does not affirmatively request exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion will be bound by all of the terms of the Class Settlement, including and not limited to those pertaining to the Released Class Claims, as well as any judgment that may be entered by the Court if it grants final approval to the Settlement. Notwithstanding the above, all PAGA Members will be bound to the PAGA Settlement and will be issued their Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

26. Objecting to the Class Settlement. Settlement Class Members can object to the terms of the Class Settlement by submitting a timely and complete written objection (“Notice of Objection”) to the Settlement Administrator. A Notice of Objection must: (a) contain the case name and number of the Action; (b) contain the objector’s full name, signature, address, telephone number, and the last four (4) digits of the objector’s Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Notice of Objection has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendants’ counsel the number of Notices of Objection that are submitted (specifying which ones were timely and complete and which were not), and also attach them to a declaration that is to be filed with the Court in advance of the Final Approval Hearing. Notwithstanding the above, Settlement Class Members may appear at the Final Approval Hearing, either in person or through his/her/their own counsel, and object to the Class Settlement and any of its terms orally without submitting a prior written Notice of

1 Objection in the manner and by the deadline specified above. If the Court rejects the objection, the
2 individual will be bound by the terms of the Settlement.

3 RELEASES

4 27. Class Settlement Release. Upon the Effective Date and full funding of the
5 Maximum Settlement Amount, Plaintiffs and all Settlement Class Members fully release and
6 discharge the Released Parties from all claims under state, federal, and local law that were or could
7 have been reasonably asserted based on the facts and allegations made in the Operative Complaint,
8 arising during the Class Period, including, claims arising under California Labor Code sections
9 201, 202, 203, 204, 226, 226.7, 510, 512, 1174(d), 1194, 1194.2, 1197, 1197.1, 1198, 1198.5,
10 2800, and 2802, California Industrial Welfare Commission Wage Orders, California Code of
11 Regulations, Civil Code section 1021.5, and all claims for or related to Defendants' alleged failure
12 to pay minimum, overtime, or double time wages, properly calculate the regular rate of pay, timely
13 pay wages at separation, reimburse necessary business expenses, provide accurate wage
14 statements, pay for all hours worked due to rounding of employee timekeeping records,
15 keep adequate time records, provide meal periods and meal period premiums, and provide rest
16 periods and rest period premiums, claims for unfair competition, unfair business practices,
17 unlawful business practices, and fraudulent business practices in violation of California
18 Business and Professions Code sections 17200 *et seq.*, and claims for declaratory relief,
19 statutory penalties, interest, attorneys' fees and costs, as well as all other claims and
20 allegations alleged in the Operative Complaint (collectively, "Released Class Claims").
21 Expressly excluded from the Released Class Claims are claims for retaliation, discrimination,
22 unemployment insurance, disability, workers compensation, and claims outside the Class Period.

23 28. PAGA Settlement Release. Upon the Effective Date and full funding of the
24 Maximum Settlement Amount, Plaintiffs, the State of California with respect to all PAGA
25 Members, and all PAGA Members fully release and discharge the Released Parties from all claims
26 for civil penalties under PAGA that were or could have been reasonably asserted based on the facts
27 and allegations made in the Operative Complaint and/or LWDA Letters, arising during the PAGA
28 Period, including claims arising under California Labor Code sections 98.6, 201, 201.3, 202, 203,

204, 210, 216, 223, 225.5, 226, 226.7, 227.3, 232, 233, 234, 245-248.5, 246, 247.5, 248.2, 432, 432.5, 432.7, 510, 512, 558, 558.1, 1024.5, 1174, 1174.5, 1194, 1197, 1197.1, 1197.5, 1198, 1198.5, 1199, 1527, 2698 *et seq.*, 2800, 2802, 2810.5, 3366, 3457, 6401, and 8397.4, as alleged in the Operative Complaint and/or the LDWA Letters, and the California Industrial Welfare Commission Wage Orders based on the facts alleged in the Operative Complaint and/or the LWDA Letters (collectively, “Released PAGA Claims”).

29. Plaintiffs’ General Release. Upon the Effective Date and full funding of the Maximum Settlement Amount, Plaintiffs agree to generally release the Released Parties from any and all claims, whether known or unknown, under all federal, state, and local statutes, and federal and state common law (including but not limited to those for contract, tort, and equity), except for workers’ compensation claims and claims that cannot be released hereunder by law. Plaintiffs acknowledge the language of Section 1542 of the California Civil Code, which provides:

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

Plaintiffs expressly waive the protection of Section 1542. Plaintiffs understand and agree that claims or facts in addition to or different from those which are now known or believed by them to exist may hereafter be discovered. It is Plaintiffs’ intention to settle fully and release all of the claims, except for workers’ compensation claims and claims that cannot be released hereunder by law, Plaintiffs now have against the Released Parties, whether known or unknown, suspected or unsuspected. This release covers claims up to the date of execution of the Settlement.

DUTIES OF THE PARTIES PRIOR TO PRELIMINARY APPROVAL

30. To effectuate the terms of the Settlement, the Parties agree all formal and informal discovery shall be stayed pending Court approval of the Settlement. Class Counsel agrees to notify the Court of the Settlement through a Notice of Settlement, and to request that all current Court deadlines be continued pending Court approval of the Settlement. Plaintiffs shall promptly submit this Stipulation of Settlement to the San Joaquin County Superior Court in support of Plaintiffs’ motion for preliminary approval and determination by the Court as to its fairness, adequacy, and

1 reasonableness. Plaintiffs agree to provide Defendants the opportunity to review, and to approve
2 before filing, Plaintiffs' motion for preliminary approval. Before or at the same time Plaintiffs
3 submit this Stipulation of Settlement to the San Joaquin County Superior Court, Plaintiffs agree to
4 submit a copy of this Stipulation of Settlement to the LWDA. By way of the motion for preliminary
5 approval, Plaintiffs shall apply to the Court for the entry of an order preliminarily approving the
6 Settlement ("Preliminary Approval Order") in a form that is mutually agreeable between the
7 Parties and also provides for the following:

- 8 a. Granting preliminary approval of the Settlement;
- 9 b. Conditionally certifying the Class for settlement purposes only;
- 10 c. Preliminarily appointing Plaintiffs as the Class Representatives;
- 11 d. Preliminarily appointing Class Counsel as counsel for the Class;
- 12 e. Approving as to form and content the proposed Class Notice and directing
13 its mailing by First Class U.S. Mail;
- 14 f. Approving the manner and method for Class Members to request exclusion
15 from and object to the Class Settlement as contained herein and within the Class Notice;
- 16 g. Scheduling a Final Approval Hearing at which the Court will determine
17 whether final approval of the proposed Settlement should be granted.

18 The Preliminary Approval Order shall be substantially in the form identified as
19 **Exhibit 2** to this Stipulation of Settlement.

20 DUTIES OF THE PARTIES FOR FINAL APPROVAL

21 31. Plaintiffs and Class Counsel will be responsible for drafting the motion seeking
22 final approval of the Settlement. Plaintiffs agree to provide said motion to Defendants for the
23 opportunity to review and to approve before filing. By way of said motion, Class Counsel agrees
24 to submit a proposed final approval order and judgment ("Final Approval Order and Judgment")
25 mutually agreeable between the Parties, and substantially in the form identified as **Exhibit 3** to
26 this Stipulation of Settlement, that provides for the following:

- 27 a. Approving the Settlement, adjudging the terms thereof to be fair,
28 reasonable, and adequate, and directing consummation of its terms and provisions;

- 1 b. Certifying of the Settlement Class;
- 2 c. Approving the application for the Attorneys' Fees and Costs to Class
- 3 Counsel;
- 4 d. Approving the application for the Enhancement Awards to the Class
- 5 Representatives;
- 6 e. Directing Defendants to fund all amounts due under the Settlement and
- 7 ordered by the Court; and
- 8 f. Entering judgment in the Action, while maintaining continuing jurisdiction,
- 9 in accordance with Rule 3.769(h) of the California Rules of Court and the Settlement Agreement.

10 FINAL APPROVAL ORDER AND JUDGMENT

11 32. The Parties shall provide the Settlement Administrator with a copy of the Final

12 Approval Order and Judgment once it is entered by the Court, and the Settlement Administrator

13 shall post the Final Approval Order and Judgment on its website for sixty (60) calendar days. No

14 individualized notice of the Final Approval Order and Judgment to the Class will be required.

15 INTERIM STAY OF PROCEEDINGS

16 33. The Parties agree to hold in abeyance all proceedings in the Action (including with

17 respect to California Code of Civil Procedure § 583.310), except such proceedings necessary to

18 implement and complete this Settlement Agreement, pending the Final Approval Hearing to be

19 conducted by the Court.

20 CALIFORNIA LAW GOVERNS

21 34. All terms of this Settlement Agreement and attached exhibits hereto will be

22 governed by and interpreted according to the laws of the State of California.

23 PARTIES' AUTHORITY

24 35. The signatories hereto hereby represent that they are fully authorized to enter into

25 this Stipulation of Settlement and bind the Parties hereto to the terms and conditions thereof.

26 MUTUAL FULL COOPERATION

27 36. The Parties agree to fully cooperate with each other to accomplish the terms of this

28 Stipulation of Settlement, including but not limited to execution of such documents and taking

1 such other action as reasonably may be necessary to implement the terms of this Stipulation of
2 Settlement. The Parties shall use their best efforts, including all efforts contemplated by this
3 Stipulation of Settlement and any other efforts that may become necessary by order of the Court,
4 or otherwise, to effectuate this Stipulation of Settlement and the terms set forth herein. As soon as
5 practicable after execution of this Stipulation of Settlement, Class Counsel shall, with the
6 assistance and cooperation of Defendants and their counsel, take all necessary steps to secure the
7 Court's final approval of this Stipulation of Settlement.

8 37. The Parties and their respective counsel agree that they will not attempt to
9 encourage or discourage Class Members from submitting Requests for Exclusion. Additionally,
10 the Parties and their respective counsel agree that they will not attempt to encourage or discourage
11 Settlement Class Members to object to the Class Settlement or appeal from the Final Approval
12 Order and Judgment

13 NO PRIOR ASSIGNMENTS

14 38. The Parties and their counsel represent, covenant, and warrant that they have not,
15 directly or indirectly, assigned, transferred or encumbered, or purported to assign, transfer, or
16 encumber, to any person or entity any portion of any liability, claim, demand, action, cause of
17 action, or right herein released and discharged except as set forth herein.

18 NO ADMISSION

19 39. Nothing contained herein, nor the consummation of this Stipulation of Settlement,
20 is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on
21 the part of Defendants. Each of the Parties hereto has entered into this Stipulation of Settlement
22 solely with the intention to avoid further disputes and litigation with the attendant inconvenience
23 and expenses.

24 ENFORCEMENT ACTIONS

25 40. The Parties agree that the San Joaquin County Superior Court shall retain
26 jurisdiction to enforce the terms of this Settlement pursuant to California Code of Civil Procedure
27 section 664.6. In the event one or more of the Parties to this Stipulation of Settlement institutes
28 any legal action or other proceeding against any other Party or Parties to enforce the provisions of

1 this Stipulation of Settlement or to declare rights or obligations under this Stipulation of
2 Settlement, the successful Party or Parties shall be entitled to recover from the unsuccessful Party
3 or Parties' reasonable attorneys' fees and litigation costs, including expert witness fees, incurred
4 in connection with any enforcement actions.

5 NOTICES

6 41. Unless otherwise specifically provided herein, all notices, demands, or other
7 communications given hereunder shall be in writing and shall be deemed to have been duly given
8 as of the third (3rd) business day after mailing by United States registered or certified mail, return
9 receipt requested, or the day sent by email or messenger, addressed as follows:

10 **To Plaintiffs and the Class:**

11 Miriam L. Schimmel, Esq.
12 mschimmel@blackstonepc.com
13 Joana Fang, Esq.
14 jfang@blackstonepc.com
15 Alexandra Rose, Esq.
16 arose@blackstonepc.com
BLACKSTONE LAW, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211

To Defendants:

Veronica T. Hunter, Esq.
Veronica.hunter@jacksonlewis.com
Samuel J. Maselli, Esq.
Samuel.maselli@jacksonlewis.com
JACKSON LEWIS P.C.
400 Capitol Mall, Suite 1600
Sacramento, California 95814

17 NO PUBLIC COMMENT

18 42. The Class Representatives and Class Counsel will not make any public disclosure
19 of the terms of the Settlement, except through Court filings to preliminary and finally approve the
20 Settlement. Class Counsel will take all steps necessary to ensure that the Class Representatives are
21 aware of, and will ensure that the Class Representatives adhere to, the restriction against any public
22 disclosure of the Settlement. Following preliminary approval of the Settlement, the Class
23 Representatives and Class Counsel will not initiate any communications (directly or indirectly)
24 with the media regarding the Action. Notwithstanding the foregoing, the Class Representatives
25 and Class Counsel may, in response to a communication initiated by the media, direct the inquiring
26 media member to the public records of the Action on file with the Court. Notwithstanding the
27 foregoing, the Class Representatives and Class Counsel may tell the public in general that the
28 claims "have been resolved by the Parties." Class Counsel will take all steps reasonably necessary

1 to ensure that the Class Representatives are aware of, and will ensure that they will adhere to, the
2 restriction against any media comment on the Settlement and its terms. Nothing herein will restrict
3 Class Counsel from including publicly available information regarding this Settlement in future
4 judicial submissions regarding Class Counsel's qualifications and experience. Furthermore,
5 Plaintiffs and Class Counsel will undertake any and all disclosures required to be made to the
6 LWDA in conformity with PAGA.

7 CONSTRUCTION

8 43. The Parties hereto agree that the terms and conditions of this Stipulation of
9 Settlement are the result of arms-length negotiations and private mediation between the Parties
10 and this Stipulation of Settlement shall not be construed in favor of or against any Party by
11 reason of the extent to which any Party or his, her, their, or its counsel participated in the drafting
12 of this Stipulation of Settlement.

13 CAPTIONS AND INTERPRETATIONS

14 44. Paragraph titles or captions contained herein are inserted as a matter of convenience
15 and for reference, and in no way define, limit, extend, or describe the scope of this Stipulation of
16 Settlement or any provision of it. Each term of this Stipulation of Settlement is contractual and not
17 merely a recital.

18 MODIFICATION

19 45. This Stipulation of Settlement may not be changed, altered, or modified, except in
20 writing and signed by counsel for the Parties hereto and approved by the Court. This Stipulation
21 of Settlement may not be discharged except by performance in accordance with its terms or by
22 a writing signed by the Parties hereto.

23 INTEGRATION CLAUSE

24 46. This Stipulation of Settlement contains the entire agreement between the Parties
25 relating to the Settlement, and all prior or contemporaneous agreements, understandings,
26 representations, and statements, whether oral or written and whether by a Party or such Party's
27 legal counsel, are merged herein.

28 ///

1 BINDING ON ASSIGNS

2 47. This Stipulation of Settlement shall be binding upon and inure to the benefit of the
3 Parties and the Released Parties hereto, and their respective heirs, trustees, executors,
4 administrators, successors, and assigns.

5 CLASS MEMBER SIGNATORIES

6 48. It is agreed that because the Class Members and PAGA Members are so numerous,
7 it is impossible or impractical to have Class Members and PAGA Members execute this Stipulation
8 of Settlement. The Class Notice will advise all Class Members and PAGA Members of the binding
9 nature of the releases, and the releases shall have the same force and effect as if this Stipulation of
10 Settlement were executed by each Class Members and PAGA Member.

11 COUNTERPARTS

12 49. This Stipulation of Settlement may be executed in counterparts and by facsimile
13 signatures, and when each Party has signed and delivered at least one such counterpart, each
14 counterpart, including e-mail and .PDF versions, shall be deemed an original and, when taken
15 together with other signed counterparts, shall constitute one Stipulation of Settlement binding upon
16 and effective as to all Parties.

17 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this
18 Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiffs and
19 Defendants as of the date(s) set forth below:

20 Dated: November ²¹____, 2024

PLAINTIFF DJUANA SHANELLA HALE:

21
22 By: 
23 Plaintiff and Class Representative

24
25 Dated: November ____, 2024

PLAINTIFF SHANNON GILBERT:

26
27 By: _____
28 Plaintiff and Class Representative

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Dated: November __, 2024

PLAINTIFF GEORGE HERNANDEZ:

By: 
Plaintiff and Class Representative

Dated: November __, 2024

WELBE HEALTH, LLC:

By: _____

Full Name: _____

Title: _____
On behalf of Welbe Health, LLC

Dated: November __, 2024

WELBE HEALTH PACE, LLC:

By: _____

Full Name: _____

Title: _____
On behalf of Welbe Health Pace, LLC

Dated: November __, 2024

WELBE HEALTH BAY AREA PACE, LLC:

By: _____

Full Name: _____

Title: _____
On behalf of Welbe Health Bay Area PACE, LLC

1 Dated: November ___, 2024

PLAINTIFF GEORGE HERNANDEZ:

2
3
4 By: _____
Plaintiff and Class Representative

5
6 Dated: November 19, 2024

WELBE HEALTH, LLC:

7
8 By: Blaire Bernard

9 Full Name: Blaire Bernard

10 Title: Secretary
11 On behalf of Welbe Health, LLC

12
13 Dated: November 1, 2024
14 9

WELBE HEALTH PACE, LLC:

15 By: Blaire Bernard

16 Full Name: Blaire Bernard

17 Title: Secretary
18 On behalf of Welbe Health Pace, LLC

19
20 Dated: November 1, 2024
21 9

WELBE HEALTH BAY AREA PACE, LLC:

22 By: Blaire Bernard

23 Full Name: Blaire Bernard

24 Title: Secretary
25 On behalf of Welbe Health Bay Area PACE, LLC

1 Dated: November 1, 2024
2 9

**WELBEHEALTH INLAND EMPIRE PACE,
LLC:**

3
4 By: Blaire Bernard

5 Full Name: Blaire Bernard

6 Title: Secretary

7 On behalf of WelbeHealth Inland Empire PACE,
8 LLC

9 Dated: November 1, 2024
10 9

**WELBE HEALTH SAN BERNARDINO PACE,
LLC:**

11
12 By: Blaire Bernard

13 Full Name: Blaire Bernard

14 Title: Secretary

15 On behalf of Welbe Health San Bernardino PACE,
16 LLC

17 Dated: November 1, 2024
18 9

LA COAST PACE, LLC:

19
20 By: Blaire Bernard

21 Full Name: Blaire Bernard

22 Title: Secretary

23 On behalf of LA Coast Pace, LLC

24 Dated: November 1, 2024
25 9

WELBE HOUSECALLS, LLC:

26
27 By: Blaire Bernard

28 Full Name: Blaire Bernard

Title: Secretary

On behalf of Welbe Housecalls, LLC

1 Dated: November 1, 2024
2 9

SEQUOIA PACE, LLC:

3 By: Blaire Bernard
4

5 Full Name: Blaire Bernard

6 Title: Secretary

7 On behalf of Sequoia PACE, LLC

8 Dated: November 1, 2024
9 9

WELBE HEALTH HC NOCAL, LLC:

10 By: Blaire Bernard
11

12 Full Name: Blaire Bernard

13 Title: Secretary

14 On behalf of Welbe Health HC NoCal, LLC

15 Dated: November 1, 2024
16 9

WELBE HEALTH HC SOCAL, LLC:

17 By: Blaire Bernard
18

19 Full Name: Blaire Bernard

20 Title: Secretary

21 On behalf of Welbe Health HC SoCal, LLC

22 Dated: November 1, 2024
23 9

STOCKTON PACE, LLC:

24 By: Blaire Bernard
25

26 Full Name: Blaire Bernard

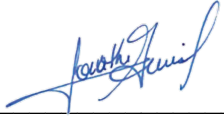
27 Title: Secretary

28 On behalf of Stockton PACE, LLC

1 AGREED AS TO FORM:

2
3 Dated: November 21, 2024

BLACKSTONE LAW, APC:

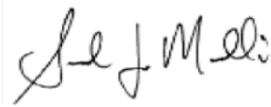
4
5 By: 

6 Jonathan M. Genish
7 Miriam L. Schimmel
8 Joana Fang
9 Alexandra Rose

Attorneys for Plaintiffs and Proposed Class Counsel

10 Dated: November 22, 2024

JACKSON LEWIS P.C.:

11
12 By: 

13 Veronica T. Hunter
14 Samuel J. Maselli

Attorneys for Defendants

EXHIBIT 1

**NOTICE OF PROPOSED CLASS ACTION AND PAGA SETTLEMENT, AND
HEARING DATE FOR FINAL COURT APPROVAL OF SETTLEMENT**

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN JOAQUIN
Djuana Shanella Hale, et al. v. Welbe Health, LLC, et al.
Case No. STK-CV-UOE-2023-0006866**

ATTENTION: ALL PERSONS WHO WORKED FOR DEFENDANTS WELBE HEALTH, LLC; WELBE HEALTH PACE, LLC; WELBE HEALTH BAY AREA PACE, LLC; WELBEHEALTH INLAND EMPIRE PACE, LLC; WELBE HEALTH SAN BERNARDINO PACE, LLC; LA COAST PACE, LLC; WELBE HOUSECALLS, LLC; SEQUOIA PACE, LLC; WELBE HEALTH HC, NOCAL, LLC; WELBE HEALTH HC SOCIAL, LLC; AND STOCKTON PACE, LLC (COLLECTIVELY, “DEFENDANTS”) AS NON-EXEMPT EMPLOYEES IN CALIFORNIA FROM APRIL 30, 2019 THROUGH **SEPTEMBER 29, 2024.**

PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF CLASS ACTION LITIGATION. IF YOU ARE A CLASS MEMBER, IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHT TO RECEIVE PAYMENT, OPT OUT OF OR OBJECT TO THE CLASS SETTLEMENT, OR DISPUTE YOUR WORKWEEKS AND/OR PAGA WORKWEEKS ACCORDING TO THE PROCEDURES DESCRIBED BELOW. IF YOU DO NOT WISH TO RECEIVE PAYMENT UNDER THE CLASS SETTLEMENT OR PARTICIPATE IN THE CLASS SETTLEMENT, YOU MUST REQUEST TO BE EXCLUDED FROM THE CLASS SETTLEMENT ON OR BEFORE [REDACTED].

Pursuant to the Order Granting Preliminary Approval of Class Action and PAGA Settlement entered on [REDACTED], YOU ARE HEREBY NOTIFIED AS FOLLOWS:

A class and representative action settlement has been reached between Plaintiffs Djuana Shanella Hale, Shannon Gilbert, and George Hernandez (collectively, “Plaintiffs” or “Class Representatives”) and Defendants (collectively, with Plaintiffs, the “Parties”) in the above-captioned lawsuit (“Action”) pending in the Superior Court of the State of California for the County of San Joaquin on behalf of all current and former hourly-paid and/or non-exempt employees who worked for Defendants in the State of California at any time during the Class Period (the “Class” or “Class Members”). The Class does not include any person who submit timely and valid Requests for Exclusion (as explained below), or who previously settled or released any of the claims covered by the Settlement, or any person who previously was paid or received awards through civil or administrative actions for the claims covered by the Settlement. The “Class Period” is the period from April 30, 2019 through **September 29, 2024**. All Class Members are eligible to receive a payment under the settlement and resolution of all Released Class Claims (“Class Settlement”).

Additionally, all current and former hourly-paid and/or non-exempt employees who worked for Defendants in the State of California at any time during the PAGA Period (“PAGA Members”) are eligible to receive a payment under the settlement and resolution of all Released PAGA Claims (“PAGA Settlement”) regardless of whether they submit a timely and valid Request for Exclusion. The “PAGA Period” is the period from July 3, 2023 through **September 29, 2024**.

The “Released Parties” in the Settlement include: (i) Defendants; (ii) each of Defendants’ respective past, present and future parents, subsidiaries, partners, affiliates, brands, and any affiliated and/or related corporation, limited liability company, partnership, or other business entity; (iii) their past, present and future board members, directors, officers, agents, exempt employees, attorneys, insurers, members, partners, managers, contractors, agents, consultants, representatives, administrators, fiduciaries, benefit plans, transferees, predecessors, successors, and assigns of any of the foregoing; and (iv) any individual or entity which could be jointly liable with any of the foregoing.

You have received this notice because records indicate you are a Class Member and/or PAGA Member. This notice is to advise you of how you can either participate in the Class Settlement or be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks and/or PAGA Workweeks that you are credited with, if you so choose.

I. CASE BACKGROUND

On July 3, 2023, Plaintiff Hale provided written notice to the California Labor and Workforce Development Agency (“LWDA”) of the specific provisions of the California Labor Code alleged to be violated by Defendants (“Hale LWDA Letter”). On July 5, 2023, Plaintiff Hale commenced a putative class action lawsuit by filing a Class Action Complaint in the Action. On December 12, 2023, Plaintiff Gilbert provided written notice to the LWDA of the specific provisions of the California Labor Code alleged to be violated by Defendants (“Gilbert LWDA Letter”). Together, the Hale LWDA Letter and the Gilbert LWDA Letter are referred to as the “LWDA Letters.” On September 18, 2024, Plaintiffs filed a First Amended Class and Representative Action Complaint (“Operative Complaint”) in the Action. The Operative Complaint alleges ten (10) causes of action for violations of the California Labor Code for failure to pay overtime wages, failure to pay minimum wages, failure to provide compliant meal periods and premium payments in lieu thereof, failure to provide compliant rest periods and premiums payments in lieu thereof, failure to provide accurate wage statements, failure to timely pay wages upon termination, failure to reimburse necessary business expenses, and failure to produce requested employment records, for violations of California Business & Professions Code Section 17200, *et seq.* based on the aforementioned California Labor Code violations, and for civil penalties under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698 *et seq.* (“PAGA”) based on the aforementioned California Labor Code violations.

The Action has been actively litigated. There have been investigations and an exchange of extensive documentation and data. Furthermore, the Parties participated in arms-length settlement negotiations and private mediation. Based upon the negotiations and mediation, and all known facts and circumstances, including the various risks and uncertainties related to legal actions including the complete defenses to liability potentially available to Defendants, the inherent risk of trial on the merits, the risk of denial of class certification, and the delays associated with litigation, the Parties reached a settlement. By settling, the Parties will avoid the risks associated with a lengthy litigation process. Despite agreeing to and supporting the settlement, Defendants continue to deny all allegations and claims, and entering into the settlement is not an admission of wrongdoing or liability. The Parties have since entered into a Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement Agreement” or “Settlement”), which has been preliminarily approved by the Court.

II. SUMMARY OF THE PROPOSED SETTLEMENT

A. The Amount of the Settlement

Under the terms of the Settlement, Defendants agree to pay a gross settlement amount of \$6,675,000.00 (“Maximum Settlement Amount”). Deducted from this Maximum Settlement Amount will be sums approved by the Court for attorneys’ fees, not to exceed thirty-five percent (35%) of the Maximum Settlement Amount (\$2,336,250.00), and attorneys’ litigation costs and expenses not to exceed \$22,000.00 (together, “Attorneys’ Fees and Costs”), enhancement awards to each of the three Class Representatives not to exceed \$10,000.00 each (total, \$30,000.00) (“Enhancement Awards”), the fees and expenses of the settlement administrator estimated not to exceed \$20,000.00 (“Settlement Administration Costs”), and \$400,000.00 for alleged PAGA penalties (“PAGA Amount”), which will result in a “Net Settlement Amount” for distribution to all Class Members.

B. Settlement Formula and Settlement Awards

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on their number of weeks they each worked for Defendants as hourly-paid and/or non-exempt employees in California during the Class Period (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield an estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section II.D below). Class Members who do not submit a timely and valid Request for Exclusion (“Settlement Class Members”) will be issued their final Individual Settlement Payment.

Each Individual Settlement Share will be allocated as follows: one third (1/3) to alleged unpaid wages for which IRS Forms W-2 will be issued; and two-thirds (2/3) to alleged unpaid penalties, interest, and non-wage damages for which IRS Forms 1099-MISC will be issued (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Settlement Shares

resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”). The employers’ share of taxes and contributions in connection with the wages portion of Individual Settlement Shares will be paid by Defendants separately and in addition to the Maximum Settlement Amount.

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or withholdings, and will be reported on IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Members at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

C. Your Workweeks and PAGA Workweeks (if applicable) Based on Defendants’ Records

According to Defendants’ records:

- **From April 30, 2019 through September 29, 2024 (i.e., the Class Period), you are credited as having worked [] Workweeks.**
- **From July 3, 2023 through September 29, 2024 (i.e., the PAGA Period), you are credited as having worked [] PAGA Workweeks.**

If you wish to dispute the Workweeks and/or PAGA Workweeks credited to you, you must submit your dispute in writing to the Settlement Administrator (“Workweeks Dispute”). The Workweeks Dispute must: (a) contain the case name and number of the Action (*Djuana Shanella Hale, et al. v. Welbe Health, LLC, et al.*, Case No. STK-CV-UOE-2023-0006866); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) clearly state that you dispute the number of Workweeks and/or PAGA Workweeks credited to you and what you contend is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section III.A below, postmarked **on or before [Response Deadline]**.

The Settlement Administrator will calculate the number of Workweeks worked by all Class Members during the Class Period and the number of PAGA Workweeks worked by all PAGA Members during the PAGA Period based on the timekeeping records and other relevant information provided by Defendants. In order to be counted as a Workweek or PAGA Workweek, the Class Member or PAGA Member must have worked at least one day in that week. The Settlement Administrator’s calculation of the number of Workweeks and PAGA Workweeks will be presumed to be correct unless a particular Class Member or PAGA Member proves otherwise to the Settlement Administrator by credible written evidence. The Settlement Administrator shall refer to the timekeeping records and other relevant information provided by Defendants for resolution of any Workweeks Dispute. All Workweeks Disputes will be resolved and decided by the Settlement Administrator, and the Settlement Administrator’s decision on all Workweeks Disputes will be final and non-appealable.

D. Your Estimated Individual Settlement Share and Individual PAGA Payment (if applicable)

As explained above, your estimated Individual Settlement Share and Individual PAGA Payment (if applicable) is based on the number of Workweeks and PAGA Workweeks (if applicable) credited to you.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ []. The Individual Settlement Share is subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share and Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower.

E. Release of Claims

The “Released Class Claims” means all claims under state, federal, and local law that were or could have been reasonably asserted based on the facts and allegations made in the Operative Complaint, arising during the Class Period, including, claims arising under California Labor Code sections 201, 202, 203, 204, 226, 226.7, 510, 512, 1174(d), 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 2800, and 2802, California Industrial Welfare Commission Wage Orders, California Code of Regulations, Civil Code section 1021.5, and all claims for or related to Defendants’ alleged failure to pay minimum, overtime, or double time wages, properly calculate the regular rate of pay, timely pay wages at separation, reimburse necessary business expenses, provide accurate wage statements, pay for all hours worked due to rounding of employee timekeeping records, keep adequate time records, provide meal periods and meal period premiums, and provide rest periods and rest period premiums, claims for unfair competition, unfair business practices, unlawful business practices, and fraudulent business practices in violation of California Business and Professions Code sections 17200 *et seq.*, and claims for declaratory relief, statutory penalties, interest, attorneys’ fees and costs, as well as all other claims and allegations alleged in the Operative Complaint. Expressly excluded from the Released Class Claims are claims for retaliation, discrimination, unemployment insurance, disability, workers’ compensation, and claims outside the Class Period.

The “Released PAGA Claims” means all claims for civil penalties under PAGA that were or could have been reasonably asserted based on the facts and allegations made in the Operative Complaint and/or the LWDA Letters, arising during the PAGA Period, including claims arising under California Labor Code sections 98.6, 201, 201.3, 202, 203, 204, 210, 216, 223, 225.5, 226, 226.7, 227.3, 232, 233, 234, 245-248.5, 246, 247.5, 248.2, 432, 432.5, 432.7, 510, 512, 558, 558.1, 1024.5, 1174, 1174.5, 1194, 1197, 1197.1, 1197.5, 1198, 1198.5, 1199, 1527, 2698 *et seq.*, 2800, 2802, 2810.5, 3366, 3457, 6401, and 8397.4, as alleged in the Operative Complaint and/or the LWDA Letters, and the California Industrial Welfare Commission Wage Orders based on the facts alleged in the Operative Complaint and/or the LWDA Letters.

F. Enhancement Award for the Class Representatives

Subject to the Court’s approval, Plaintiffs will seek Enhancement Awards of up to \$10,000.00 each (total, \$30,000.00) in recognition of their active participation in the prosecution of the Action. The Enhancement Awards will be paid and deducted from the Maximum Settlement Amount, and if awarded, they will be paid to Plaintiffs in addition to their Individual Settlement Payments and Individual PAGA Payments that they are entitled to under the Settlement.

G. Attorneys’ Fees and Costs

Subject to the Court’s approval, Class Counsel will seek attorneys’ fees and costs in an amount not to exceed thirty-five percent (35%) of the Maximum Settlement Amount which equals **\$2,336,250.00** and reimbursement of litigation costs and expensed not to exceed \$22,000.00. The Attorneys’ Fees and Costs will be paid and deducted from the Maximum Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiffs, Class Members, and PAGA Members on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

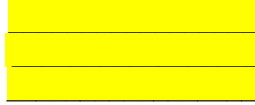
F. Settlement Administration Costs

Subject to the Court’s approval, payment to the Settlement Administrator is estimated not to exceed \$20,000.00 for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notices of Objection, and Workweeks Disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Maximum Settlement Amount.

III. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER

A. Excluding Yourself from the Class Settlement

If you do not wish to participate in the Class Settlement, you may request to be excluded by submitting a timely and valid written letter (“Request for Exclusion”) to the Settlement Administrator, which must (a) contain the case name and number of the Action (*Djuana Shanella Hale, et al. v. Welbe Health, LLC, et al.*, Case No. STK-CV-UOE-2023-0006866); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address below, postmarked **on or before [Response Deadline]**.



If you submit a Request for Exclusion which is not postmarked by **[Response Deadline]**, your Request for Exclusion will be rejected. Please note you may only exclude yourself from the Class Settlement and not the PAGA Settlement. Any Class Member who submits a timely and valid Request for Exclusion shall, upon receipt by the Settlement Administrator, no longer be a Class Member, shall be barred from participating as a Class Member in the Settlement, shall not be entitled to object to the Class Settlement, shall not receive an Individual Settlement Payment, shall not be deemed to have relinquished the Released Class Claims against the Released Parties, and, at their own expense, may pursue any claims they may have against the Released Parties. PAGA Members are not entitled to opt out of the PAGA Settlement (including the Released PAGA Claims) and will be issued their Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

B. Object to the Class Settlement

If you do not exclude yourself from the Class Settlement, you can object to the terms of the Class Settlement by submitting a timely and complete written objection (“Notice of Objection”) to the Settlement Administrator, which must: (a) contain the case name and number of the Action (*Djuana Shanella Hale, et al. v. Welbe Health, LLC, et al.*, Case No. STK-CV-UOE-2023-0006866); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section III.A above, postmarked **on or before [Response Deadline]**.

A Settlement Class Member may appear at the Final Approval Hearing either in person or through their own counsel, and may object to the Class Settlement and any of its terms orally without submitting a prior Notice of Objection in the manner and by the deadline specified above. If you choose to object, you may enter an appearance *in propria persona* (meaning you choose to represent yourself) or through your own attorney at your own expense. To do so, you must file an Entry of Appearance with the Clerk of the San Joaquin County Superior Court and deliver copies to the Settlement Administrator and each of the attorneys listed below. Such Entry of Appearance must be filed with the Court and delivered to the below attorneys no later than **[Response Deadline]**. You will then continue as a Settlement Class Member either *in propria persona* or with representation by your own attorney, and you will be solely responsible for the fees and costs of your own attorney. The final fairness hearing at which the Court will be asked to approve the Settlement will be at **[Redacted]** **a.m./p.m.** (Pacific Time) on **[Redacted]**, in Department 11B of the Superior Court of the State of California for the County of San Joaquin, located at 180 East Weber Avenue, Stockton, California 95202, or such other later date as the Court may authorize. You may also learn more about making a remote appearance in this matter by reviewing the webpage located at <https://www.sjcourts.org/divisions/civil/>.

CLASS COUNSEL

Jonathan M. Genish, Esq.
Miriam L. Schimmel, Esq.
Joana Fang, Esq.
Alexandra Rose, Esq.
BLACKSTONE LAW, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211

DEFENDANTS’ COUNSEL

Veronica T. Hunter, Esq.
Samuel J. Maselli, Esq.
JACKSON LEWIS P.C.
400 Capitol Mall, Suite 1600
Sacramento, California 95814

IV. EFFECT OF THE SETTLEMENT: RELEASED RIGHTS AND CLAIMS

Upon the Effective Date and full funding of the Maximum Settlement Amount, Plaintiffs and all Settlement Class Members will fully release and discharge the Released Parties from the Released Class Claims as described above. In other words, if you are a Class Member and you do not exclude yourself from the Class Settlement, you will be deemed to have entered into this release and to have released the above-described Released Class Claims. Further, upon the Effective Date and full funding of the Maximum Settlement Amount, Plaintiffs, the State of California with respect to all PAGA Members, and all PAGA Members will fully release and discharge the Released Parties from the Released PAGA Claims. In addition, Settlement Class Members and PAGA Members will be barred from suing Defendants and the Released Parties with respect to the Released Class Claims and the Released PAGA Claims covered by the Settlement. If the Settlement is not approved by the Court or does not become final for some other reason, the litigation will continue as though it never existed.

V. FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a hearing in Department 11B of the Superior Court of the State of California for the County of San Joaquin, located at 180 East Weber Avenue, Stockton, California 95202, on [REDACTED], at [REDACTED] a.m./p.m. (Pacific Time), to determine whether the Settlement should be finally approved as fair, reasonable and adequate. The Court also will be asked to approve the Attorneys' Fees and Costs, Settlement Administration Costs, and Enhancement Awards. The hearing may be continued without further notice to the Class. It is not necessary for you to appear at this hearing unless you wish to object to the Class Settlement.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you should consult the Settlement Agreement, which is on file with the Clerk of the Court. The pleadings and other records in the Action, including the Settlement Agreement, may be examined at any time during regular business hours at the Office of the Clerk of the San Joaquin County Superior Court, at 180 East Weber Avenue, Stockton, California 95202. You may also visit the Settlement Administrator's website at [www.\[REDACTED\]](http://www.[REDACTED]), which will include links to the Settlement Agreement and other documents filed in the Action as they become available.

If you want additional information about this lawsuit and its proceedings, you can contact the Settlement Administrator at [REDACTED], or Class Counsel:

Jonathan M. Genish, Esq.
Miriam L. Schimmel, Esq.
Joana Fang, Esq.
Alexandra Rose, Esq.
BLACKSTONE LAW, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

**PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR
INFORMATION REGARDING THIS SETTLEMENT OR THE SETTLEMENT PROCESS.**

EXHIBIT 2

Jonathan M. Genish (State Bar No. 259031)
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Miriam L. Schimmel (State Bar No. 185089)
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Joana Fang (State Bar No. 309623)
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Samuel.Maselli@jacksonlewis.com

Attorneys for Defendants

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN JOAQUIN**

DJUANA SHANELLA HALE and
SHANNON GILBERT, individually, and on
behalf of other similarly situated employees
and aggrieved employees pursuant to the
California Private Attorneys General Act, and
GEORGE HERNANDEZ, individually, and
on behalf of other similarly situated
employees,

Plaintiffs,

vs.

WELBE HEALTH, LLC, a Delaware Limited
Liability Company; WELBE HEALTH PACE,
LLC, a Delaware Limited Liability Company;
WELBE HEALTH BAY AREA PACE, LLC,
a Delaware Limited Liability Company;
WELBEHEALTH INLAND EMPIRE PACE,
LLC, a Delaware Limited Liability Company;
WELBE HEALTH SAN BERNARDINO
PACE, LLC, a Delaware Limited Liability

Case No. STK-CV-UOE-2023-0006866

Honorable Robert T. Waters
Department 11B

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date:
Time:
Dept.: 11B

Complaint Filed: July 5, 2023
FAC Filed: September 23, 2024
Trial Date: None Set

1 Company; LA COAST PACE, LLC, a
2 Delaware Limited Liability Company;
3 WELBE HOUSECALLS, LLC, a Delaware
4 Limited Liability Company; SEQUOIA
5 PACE, LLC, a Delaware Limited Liability
6 Company; WELBE HEALTH HC, NOCAL,
7 LLC, a Delaware Limited Liability Company;
8 WELBE HEALTH HC SOCAL, LLC, a
9 Delaware Limited Liability Company;
10 STOCKTON PACE, LLC, a Delaware Limited
11 Liability Company; and DOES 1 through 25,
12 inclusive,

13 Defendants.

14 Plaintiffs Djuana Shanella Hale, Shannon Gilbert, and George Hernandez's (collectively,
15 "Plaintiffs") Motion for Preliminary Approval of Class Action and PAGA Settlement ("Motion")
16 came before this Court on _____ at _____ a.m./p.m. in Department 11B before the Honorable
17 Robert T. Waters, presiding. The Court, having considered the papers submitted in support of the
18 Motion and good cause appearing therefor, hereby **GRANTS** Plaintiffs' Motion.

19 **IT IS HEREBY ORDERED:**

20 1. The Court grants preliminary approval of the Joint Stipulation of Class Action and
21 PAGA Settlement and Release ("Stipulation of Settlement" or "Settlement") filed with the Motion.
22 All terms used herein shall have the same meaning as defined in the Stipulation of Settlement.

23 2. The settlement set forth in the Stipulation of Settlement appears to be fair, adequate,
24 and reasonable to the Class. The Settlement falls within the range of reasonableness and appears to
25 be presumptively valid, subject only to any objections that may be raised at the final fairness hearing
26 and final approval by this Court.

27 3. The Court preliminarily finds that the Settlement, including the allocations for the
28 Attorneys' Fees and Costs, Enhancement Awards, LWDA Payment, Settlement Administration
Costs, and payments to the Settlement Class Members and PAGA Members provided for in the
Settlement, appear to be within the range of reasonableness of a settlement that could ultimately be
given final approval by this Court.

///

1 4. This Court approves, as to form and content, the Notice of Proposed Class Action
2 and PAGA Settlement, and Hearing Date for Final Court Approval of Settlement (“Class Notice”)
3 attached hereto as **Exhibit A**. The Court approves the procedures for Class Members to opt out of
4 and to object to the Class Settlement and/or dispute their Workweeks and/or PAGA Workweeks as
5 set forth in the Stipulation of Settlement and Class Notice.

6 5. The Court directs the mailing of the Class Notice by First-Class U.S. Mail to the Class
7 Members and PAGA Members in accordance with the Implementation Schedule set forth in
8 Paragraph 9 below. The Court finds the dates selected for the mailing and distribution of the Class
9 Notice, as set forth in the Implementation Schedule, meet the requirements of due process and
10 provide the best notice practicable under the circumstances and shall constitute due and sufficient
11 notice to all persons entitled thereto.

12 6. It is ordered that the Class is preliminarily certified for settlement purposes only. The
13 Class is defined as follows:

14 All current and former hourly-paid and/or non-exempt employees who worked for
15 Defendants in the State of California at any time during the Class Period. The Class
16 will not include any person who previously settled or released any of the claims
17 covered by the Settlement, or any person who previously was paid or received
awards through civil or administrative actions for the claims covered by the
Settlement.

18 (The Class Period is defined as April 30, 2019 through September 29, 2024, subject
19 to Paragraph 17.C.ix. of the Settlement).

20 7. The Court provisionally appoints Plaintiffs Djuana Shanella Hale, Shannon Gilbert,
21 and George Hernandez as the Class Representatives.

22 8. The Court provisionally appoints Jonathan M. Genish, Miriam L. Schimmel, Joana
23 Fang, and Alexandra Rose of Blackstone Law, APC as Class Counsel.

24 9. The Court provisionally appoints ILYM Group, Inc. as the Settlement Administrator.

25 10. The Court orders the following Implementation Schedule for further proceedings:

26 a.	Deadline for Defendants to Submit the Class Member Information to the Settlement Administrator	Within 14 calendar days after the Court grants preliminary approval of the Settlement
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b.	Deadline for Defendants to Choose Escalator Clause Option (if applicable)	Within 5 business days after the Settlement Administrator provides the Parties with the number of total workweeks that existed on the date the Court grants preliminary approval of the Settlement
c.	Deadline for Settlement Administrator to Mail the Class Notice to Class Members and PAGA Members	7 calendar days after receiving the Class Member Information from Defendants
d.	Deadline for Class Members to Submit Requests for Exclusion, Notices of Objection, and/or Workweeks Disputes (i.e., Response Deadline)	45 calendar days after mailing of Class Notice
e.	Deadline for Defendants to Provide Written Notice of Rescission of Settlement to Class Counsel (if applicable)	21 calendar days after the Response Deadline
f.	Deadline for Class Counsel to file Motion for Final Approval of Settlement, including Request for Attorneys' Fees and Costs, and Enhancement Awards	16 Court days before Final Approval Hearing
g.	Final Fairness Hearing and Final Approval	Date: Time: Department: 11B

10. In the event the Settlement does not become effective in accordance with the terms of the Settlement Agreement, or the Settlement is not finally approved, or is terminated, canceled, or fails to become effective for any reason, this Order shall be rendered null and void, shall be vacated, and the parties shall revert back to their respective positions as of before entering into the Settlement Agreement.

11. The Court reserves the right to adjourn or continue the date of the Final Approval Hearing and any dates provided for in the Settlement Agreement without further notice to the Class Members and retains jurisdiction to consider all further applications arising out of or connected with the Settlement.

IT IS HEREBY ORDERED.

Dated: _____

By: _____
The Honorable Robert T. Waters
Superior Court Judge

EXHIBIT 3

Jonathan M. Genish (State Bar No. 259031)
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Miriam L. Schimmel (State Bar No. 185089)
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Joana Fang (State Bar No. 309623)
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Alexandra Rose (State Bar No. 329407)
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Samuel.Maselli@jacksonlewis.com

Attorneys for Defendants

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN JOAQUIN**

DJUANA SHANELLA HALE and
SHANNON GILBERT, individually, and on
behalf of other similarly situated employees
and aggrieved employees pursuant to the
California Private Attorneys General Act, and
GEORGE HERNANDEZ, individually, and
on behalf of other similarly situated
employees,

Plaintiffs,

vs.

WELBE HEALTH, LLC, a Delaware Limited
Liability Company; WELBE HEALTH PACE,
LLC, a Delaware Limited Liability Company;
WELBE HEALTH BAY AREA PACE, LLC,
a Delaware Limited Liability Company;
WELBEHEALTH INLAND EMPIRE PACE,
LLC, a Delaware Limited Liability Company;
WELBE HEALTH SAN BERNARDINO
PACE, LLC, a Delaware Limited Liability

Case No. STK-CV-UOE-2023-0006866

Honorable Robert T. Waters
Department 11B

**[PROPOSED] FINAL APPROVAL ORDER
AND JUDGMENT**

Date:
Time:
Dept.: 11B

Complaint Filed: July 5, 2023
FAC Filed: September 23, 2024
Trial Date: None Set

1 Company; LA COAST PACE, LLC, a
2 Delaware Limited Liability Company;
3 WELBE HOUSECALLS, LLC, a Delaware
4 Limited Liability Company; SEQUOIA
5 PACE, LLC, a Delaware Limited Liability
6 Company; WELBE HEALTH HC, NOCAL,
7 LLC, a Delaware Limited Liability Company;
8 WELBE HEALTH HC SOCAL, LLC, a
9 Delaware Limited Liability Company;
10 STOCKTON PACE, LLC, a Delaware Limited
11 Liability Company; and DOES 1 through 25,
12 inclusive,

13 Defendants.

14 Plaintiffs Djuana Shanella Hale, Shannon Gilbert, and George Hernandez's (collectively,
15 "Plaintiffs") Motion for Final Approval of Class Action and PAGA Settlement, Attorneys' Fees
16 and Costs, Enhancement Awards, and Settlement Administration Costs came before this Court on
17 [REDACTED], in Department 11B before the Honorable Robert T. Waters.

18 Having received and considered the Joint Stipulation of Class Action and PAGA Settlement
19 and Release ("Stipulation of Settlement" or "Settlement"), and due and adequate notice having been
20 given to all Class Members and PAGA Members as required in the Order Granting Preliminary
21 Approval of Class Action and PAGA Settlement ("Preliminary Approval Order"), and the Court
22 having considered all papers filed and proceedings had herein and otherwise being fully informed,
23 and good cause appearing therefor, the Court grants final approval of the Settlement.

24 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:**

25 1. The Court has jurisdiction over the subject matter of the above-captioned action and
26 over Plaintiffs and Defendants Welbe Health, LLC; Welbe Health PACE, LLC; Welbe Health Bay
27 Area PACE, LLC; WelbeHealth Inland Empire PACE, LLC; Welbe Health San Bernardino PACE,
28 LLC; LA Coast PACE, LLC; Welbe Housecalls, LLC; Sequoia PACE, LLC; Welbe Health HC,
NoCal, LLC; Welbe Health HC SoCal, LLC; and Stockton PACE, LLC (collectively,
"Defendants") (collectively, with Plaintiffs, the "Parties"), including the Class Members and
PAGA Members.

2. All terms used herein shall have the same meaning as defined in the Stipulation of
Settlement.

1 3. The Court finds that the following Class is properly certified as a class for settlement
2 purposes only: All current and former hourly-paid and/or non-exempt employees who worked for
3 Defendants in the State of California at any time during the Class Period. The Class does not include
4 any person who previously settled or released any of the claims covered by the Settlement, or any
5 person who previously was paid or received awards through civil or administrative actions for the
6 claims covered by the Settlement. The “Class Period” is April 30, 2019 through September 29,
7 2024.

8 4. The Court appoints Plaintiffs as the Class Representatives for settlement purposes
9 only.

10 5. The Court appoints Jonathan M. Genish, Miriam L. Schimmel, Joana Fang, and
11 Alexandra Rose of Blackstone Law, APC, as Class Counsel for settlement purposes only.

12 6. Consistent with the definitions provided in the Stipulation of Settlement, the “PAGA
13 Members” are all current and former hourly-paid and/or non-exempt employees who worked for
14 Defendants in the State of California at any time during the PAGA Period. The “PAGA Period” is
15 the period from July 3, 2023 through September 29, 2024. PAGA Members will be issued their
16 Individual PAGA Payment and release the Released PAGA Claims regardless of whether they
17 submit a timely and valid Request for Exclusion. PAGA Members are not eligible to exclude
18 themselves from, or to opt out of, the PAGA Settlement.

19 7. For purposes of the Settlement and this Final Approval Order and Judgment,
20 “Released Parties” as referenced herein and as released in the Settlement collectively mean: (i)
21 Defendants; (ii) each of Defendants’ respective past, present and future parents, subsidiaries,
22 partners, affiliates, brands, and any affiliated and/or related corporation, limited liability company,
23 partnership, or other business entity; (iii) their past, present and future board members, directors,
24 officers, agents, exempt employees, attorneys, insurers, members, partners, managers, contractors,
25 agents, consultants, representatives, administrators, fiduciaries, benefit plans, transferees,
26 predecessors, successors, and assigns of any of the foregoing; and (iv) any individual or entity
27 which could be jointly liable with any of the foregoing.

28 ///

1 8. Distribution of the Notice of Proposed Class Action and PAGA Settlement, and
2 Hearing Date for Final Court Approval of Settlement (“Class Notice”) directed to the Class
3 Members and PAGA Members as set forth in the Stipulation of Settlement and the other matters
4 set forth therein has been completed in conformity with the Preliminary Approval Order, including
5 notice to all Class Members and PAGA Members who could be identified through reasonable
6 effort, and is the best notice practicable under the circumstances. The Class Notice provided due
7 and adequate notice of the proceedings and of the matters set forth therein, including the proposed
8 settlement set forth in the Stipulation of Settlement, to all persons entitled to such Class Notice, and
9 the Class Notice fully satisfied the requirements of due process.

10 9. The Court hereby finds the Settlement was entered into in good faith, that the
11 Settlement is fair, adequate, and reasonable, and that Plaintiffs have satisfied the standards and
12 applicable requirements for final approval of the Settlement under California
13 law, including the provisions of California Code of Civil Procedure section 382 and California
14 Rules of Court, Rule 3.769.

15 10. The Court hereby approves the settlement set forth in the Stipulation of Settlement
16 and directs the Parties to effectuate the Settlement according to its terms. The Court finds that the
17 Settlement has been reached as a result of arms-length negotiations and private mediation. The
18 Court further finds that the Parties have conducted investigation and research, and counsel for the
19 Parties are able to reasonably evaluate their respective positions. The Court also finds that the
20 Settlement at this time will avoid additional substantial costs, as well as avoid the delay and risks
21 that would be presented by the further prosecution of the Action. The Court has reviewed the
22 benefits that are being granted as part of the Settlement and recognizes the significant value to the
23 Settlement Class Members and PAGA Members.

24 11. [The Court finds that no Class Members have validly and timely opted out of the
25 Class Settlement and no Settlement Class Members have objected to the Class Settlement./The
26 Court finds that Class Members _____, _____, and _____ have validly
27 and timely opted out of the Class Settlement, will not be bound by the Class Settlement, and will
28 not be issued an Individual Settlement Payment. The Court finds that no Settlement Class Members

1 have objected to the Class Settlement.]

2 12. Upon the Effective Date and full funding of the Maximum Settlement Amount,
3 Plaintiffs and all Settlement Class Members fully release and discharge the Released Parties from
4 all claims under state, federal, and local law that were or could have been reasonably asserted based
5 on the facts and allegations made in the Operative Complaint, arising during the Class Period,
6 including, claims arising under California Labor Code sections 201, 202, 203, 204, 226, 226.7,
7 510, 512, 1174(d), 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 2800, and 2802, California Industrial
8 Welfare Commission Wage Orders, California Code of Regulations, Civil Code section 1021.5,
9 and all claims for or related to Defendants' alleged failure to pay minimum, overtime, or double
10 time wages, properly calculate the regular rate of pay, timely pay wages at separation, reimburse
11 necessary business expenses, provide accurate wage statements, pay for all hours worked due
12 to rounding of employee timekeeping records, keep adequate time records, provide meal periods
13 and meal period premiums, and provide rest periods and rest period premiums, claims for unfair
14 competition, unfair business practices, unlawful business practices, and fraudulent business
15 practices in violation of California Business and Professions Code sections 17200 *et seq.*,
16 and claims for declaratory relief, statutory penalties, interest, attorneys' fees and costs, as well
17 as all other claims and allegations alleged in the Operative Complaint (collectively, "Released
18 Class Claims"). Expressly excluded from the Released Class Claims are claims for retaliation,
19 discrimination, unemployment insurance, disability, workers' compensation, and claims outside
20 the Class Period.

21 13. Upon the Effective Date and full funding of the Maximum Settlement Amount,
22 Plaintiffs, the State of California with respect to all PAGA Members, and all PAGA Members fully
23 release and discharge the Released Parties from all claims for civil penalties under PAGA that were
24 or could have been reasonably asserted based on the facts and allegations made in the Operative
25 Complaint and/or LWDA Letters, arising during the PAGA Period, including claims arising under
26 California Labor Code sections 98.6, 201, 201.3, 202, 203, 204, 210, 216, 223, 225.5, 226, 226.7,
27 227.3, 232, 233, 234, 245-248.5, 246, 247.5, 248.2, 432, 432.5, 432.7, 510, 512, 558, 558.1,
28 1024.5, 1174, 1174.5, 1194, 1197, 1197.1, 1197.5, 1198, 1198.5, 1199, 1527, 2698 *et seq.*, 2800,

1 2802, 2810.5, 3366, 3457, 6401, and 8397.4, as alleged in the Operative Complaint and/or the
2 LDWA Letters, and the California Industrial Welfare Commission Wage Orders based on the facts
3 alleged in the Operative Complaint and/or the LWDA Letters (collectively, “Released PAGA
4 Claims”).

5 14. Neither the Settlement nor any of the terms set forth in the Stipulation of Settlement
6 is an admission by Defendants, or any of the other Released Parties, nor is this Final Approval
7 Order and Judgment a finding of the validity of any claims in the Action, or of any wrongdoing by
8 Defendants or any of the other Released Parties. Neither this Final Approval Order and Judgment,
9 the Stipulation of Settlement, nor any document referred to herein, nor any action taken to carry
10 out the Stipulation of Settlement, may be construed as, or may be used as, an admission by or
11 against Defendants, or any of the other Released Parties, of any fault, wrongdoing, or liability
12 whatsoever. The entering into or carrying out of the Stipulation of Settlement, and any negotiations
13 or proceedings related thereto, shall not in any event be construed as, or deemed to be evidence of,
14 an admission or concession with regard to the denials or defenses by Defendants, or any of the other
15 Released Parties, and shall not be offered in evidence in any action or proceeding in any court,
16 administrative agency, or other tribunal for any purpose whatsoever other than to enforce the
17 provisions of this Final Approval Order and Judgment, the Stipulation of Settlement, the Released
18 Class Claims, the Released PAGA Claims, and any related agreement or release. Notwithstanding
19 these restrictions, any of the Released Parties may file in the Action, or submit in any other
20 proceeding, the Final Approval Order and Judgment, the Stipulation of Settlement, and any other
21 papers and records on file in the Action as evidence of the Settlement to support a defense of *res*
22 *judicata*, collateral estoppel, release, or other theory of claim or issue preclusion or similar defense
23 as to the Released Class Claims and the Released PAGA Claims.

24 15. The Court hereby enters judgment in the entire Action as of the filing date of this
25 Final Approval Order and Judgment, pursuant to the terms set forth in the Stipulation of Settlement.
26 Without affecting the finality of this Final Approval Order and Judgment in any way, the Court
27 hereby retains continuing jurisdiction over the interpretation, implementation, and enforcement of
28 the Settlement and all orders entered in connection therewith pursuant to California Code of Civil

1 Procedure section 664.6.

2 16. The Court finds the settlement payments provided for under the Settlement to be fair
3 and reasonable in light of all of the circumstances. The Court orders the calculations and the
4 payments to be made and administered in accordance with the terms of the Settlement.

5 17. The Court hereby approves and orders the payments of attorneys' fees to Class
6 Counsel in the amount of \$ [REDACTED] and reimbursement of litigation costs and
7 expenses to Class Counsel in the amount of \$ [REDACTED], from the Maximum Settlement
8 Amount. The attorneys' fees and reimbursement of litigation costs and expenses to Class Counsel
9 are reasonable amounts. The Court further orders that the award of attorneys' fees and costs set
10 forth in this Paragraph shall be administered pursuant to the terms of the Stipulation of Settlement.

11 18. The Court also hereby approves and orders the payments of the Enhancement
12 Awards to Plaintiffs and Class Representatives Djuana Shanella Hale, Shannon Gilbert, and George
13 Hernandez in the amounts of \$ [REDACTED] each (total, [REDACTED]) from the Maximum
14 Settlement Amount.

15 19. The Court also hereby approves and orders payment to the California Labor and
16 Workforce Development Agency in the amount of \$ [REDACTED] from the Maximum
17 Settlement Amount.

18 20. The Court also hereby approves and orders payment of [REDACTED]
19 to ILYM Group, Inc. from the Maximum Settlement Amount for actual settlement administration
20 expenses incurred by the Settlement Administrator.

21 21. It is hereby ordered that within thirty (30) calendar days of the Effective Date,
22 Defendants will deposit the Maximum Settlement Amount and the employers' share of payroll
23 taxes into a Qualified Settlement Fund established by the Settlement Administrator, in accordance
24 with the terms and methodology set forth in the Stipulation of Settlement.

25 22. It is hereby ordered that within five (5) business days of the funding of the Maximum
26 Settlement Amount, the Settlement Administrator will distribute the Individual Settlement
27 Payments to the Settlement Class Members, Individual PAGA Payments to the PAGA Members,
28 Enhancement Awards to Plaintiffs, Attorneys' Fees and Costs to Class Counsel, LWDA Payment

1 to the LWDA, and Settlement Administration Costs to itself.

2 23. Each Individual Settlement Payment and Individual PAGA Payment check will be
3 valid and negotiable for one hundred and eighty (180) calendar days from the date the checks are
4 issued, and thereafter, will be canceled. The Settlement Administrator will send one (1) reminder
5 postcard to all Settlement Class Members and PAGA Members who have not cashed their
6 Individual Settlement Payment or Individual PAGA Payment check within thirty (30) calendar days
7 prior to the 180-day deadline. The Court hereby approves and orders that any residue from canceled
8 Individual Settlement Payment and/or Individual PAGA Payment checks will be transmitted nu by
9 the Settlement Administrator after the 180-day deadline to California Rural Legal Assistance, Inc.
10 pursuant to California Code of Civil Procedure section 384(b).

11 24. The Court also hereby finds and orders that the Stipulation of Settlement is and
12 constitutes a fair, adequate, and reasonable compromise of the Released Class Claims and Released
13 PAGA Claims against Defendants and the Released Parties.

14 25. Notice of entry of this Final Approval Order and Judgment shall be given to the
15 Class Members by posting a copy of this Final Approval Order and Judgment on the Settlement
16 Administrator's website for a period of at least sixty (60) calendar days after the date of entry of
17 this Final Approval Order and Judgment.

18 **IT IS SO ORDERED. LET JUDGMENT BE ENTERED ACCORDINGLY.**

19
20
21 Dated: _____

By: _____
The Honorable Robert T. Waters
Superior Court Judge