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Attorneys for Plaintiffs

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

STEVE CORDOVA and HUYEN PHUONG
LE, on behalf of themselves and all others
similarly situated,

Plaintiffs,

vs.

NORMAN INDUSTRIAL MATERIALS,
INC., a California Corporation; and DOES 1-
50, inclusive,

Defendants.

Case No.: 23STCV17785
Related to Case No.: 23STCV19388

*[Assigned for all purposes to the Hon. Kenneth
R. Freeman, Dept. SSC-14]*

**DECLARATION OF MATTHEW K.
MOEN IN SUPPORT OF PLAINTIFFS'
MOTION FOR PRELIMINARY
APPROVAL OF CLASS AND PAGA
ACTION SETTLEMENT**

Date: May 13, 2025
Time: 10:00 a.m.
Dept.: SSC-14

Action Filed: July 27, 2023
Trial Date: None Set

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I, MATTHEW K. MOEN, declare as follows:

1. I am a Senior Associate with Haines Law Group, APC, and co-counsel for the named Plaintiffs Steve Cordova and Huyen Phuong Le (collectively, “Plaintiffs”) in the above-captioned matter. I am a member in good standing of the bar of the State of California and am admitted to practice in this Court. I have personal knowledge of the facts stated in this declaration and could testify competently to them if called upon to do so.

2. I received a Bachelor of Arts degree from UCLA in 2011, and a Juris Doctor from Loyola Law School, Los Angeles, in 2015. Both before and during law school, I worked for the law firm of Prindle, Amaro, Goetz, Hillyard, Barnes & Reinholtz LLP (now known as Prindle, Goetz, Barnes & Reinholtz LLP), located in Long Beach, California. Both before and during law school, I also worked for Jill McBride Baxter, Certified Sports Agent and Sports Law Attorney.

3. From January 2016 to December 2017, I worked as an associate at Baltodano & Baltodano LLP, a law firm dedicated exclusively to the practice of Plaintiff-side employment law located in San Luis Obispo, California. After the founding partner and senior litigation partner at Baltodano & Baltodano LLP, Justice Hernaldo J. Baltodano, was appointed to the California judiciary in December 2017, the firm dissolved on December 31, 2017. Since January 1, 2018, I have worked as an associate at my current firm, Haines Law Group, APC.

4. During my time with both Baltodano & Baltodano LLP and Haines Law Group, APC, my practice has been solely devoted to litigating plaintiff-side employment related cases in both state and federal court, including wage and hour class actions arising under the California Labor Code and the Fair Labor Standards Act. I am currently staffed on over forty (40) active wage and hour class actions in which I am integrally involved in all aspects of the litigation. I also supervise the work of several junior attorneys staffed on the same wage and hour class actions.

5. I have been appointed as Class Counsel in over fifty (50) class action settlements that have been granted final approval. The following is a non-exhaustive list of the recent wage

1 and hour class actions in which I have been named as Class Counsel and awarded attorney's
2 fees following a lodestar cross-check: *Roberto Arcos, et al. v. Panoramic Doors, LLC*, Case No.
3 37-2021-00048823-CU-OE-CTL, San Diego County Superior Court, Honorable Loren G.
4 Freestone, presiding (awarding attorney's fees following a lodestar cross-check based on a rate
5 of \$650 for work performed in 2021-2023); *Aaron Hallum, et al. v. FCA US, LLC*, Case No.
6 CIVDS1936782, San Bernardino County Superior Court, Honorable Joseph T. Ortiz, presiding
7 (awarding attorney's fees following a lodestar cross-check based on a rate of \$650 per hour for
8 work performed in 2021-2024); *Rafael Perez v. Kyocera SGS Precision Tools, Inc.*, Case No.
9 30-2022-01299232-CU-OE-CXC, Orange County Superior Court, Honorable Randall J.
10 Sherman, presiding (awarding attorney's fees following a lodestar cross-check based on an
11 hourly rate of \$650 for work performed in 2022-2024); *Kevin Murphy, et al. v. Fusion Learning,*
12 *Inc.*, Case No. 2:21-cv-06732-JAK (ASx), United States District Court, Central District of
13 California, Honorable John A. Kronstadt, presiding (approving and finding reasonable an hourly
14 rate of \$650 for work performed in 2022-2024); *Target Wage and Hour Cases*, Case No. JCCP
15 5259, Lead Case No. CIVSB2209126, San Bernardino County Superior Court, Honorable
16 Wilfred J. Schneider, Jr., presiding (awarding attorney's fees following a lodestar cross-check
17 based on an hourly rate of \$650 for work performed in 2022-2024); *Karen Trudelle, et al. v.*
18 *Children of the Rainbow, Inc.*, Lead Case No. 37-2022-00034860-CU-OE-CTL, San Diego
19 County Superior Court, Honorable Robert Longstreth, presiding (awarding attorney's fees
20 following a lodestar cross-check based on an hourly rate of \$650 for work performed in 2022-
21 2024); *Ruben Hernandez, et al. v. Neovia Logistics Services, LLC, et al.*, Case No.
22 CIVSB2305867, San Bernardino County Superior Court, Honorable Tony Raphael, presiding
23 (using an hourly rate of \$650 for work performed in 2023-2025); *Jonathan Jauregui Gutierrez,*
24 *et al. v. PASHA Automotive Services*, Case No. 37-2021-00011967-CU-CO-CTL, San Diego
25 County Superior Court, Honorable Katherine A. Bacal, presiding (using an hourly rate of \$650
26 for work performed in 2021-2025); and *Raul Camacho, et al. v. Residential Fire Systems, Inc.,*
27 *et al.*, Case No. 30-2015-00775372-CU-OE-CXC, Orange County Superior Court, Honorable
28 Lon F. Hurwitz, presiding (using an hourly rate of \$650 for work performed in 2018-2025).

1 6. I have also been appointed as Class Counsel following a contested motion to
2 certify one or more classes in three (3) class action lawsuits, including as the lead litigation
3 attorney in the following cases:

- 4 • *George Gomez v. The Bedrock Company*, Case No. CIVDS1824255, San Bernardino
5 County Superior Court, Honorable David Cohn, presiding (certifying claims for unpaid
6 overtime and minimum wage violations, meal period violations, rest period violations,
7 wage statement violations, and waiting time penalties); and
- 8 • *Aurora Gatica v. Valley Ag, Inc. et al.*, Case No. 19CECG03018, Fresno County
9 Superior Court, Honorable Tyler D. Tharpe, presiding (certifying claims for meal period
10 violations, unpaid rest period violations, wage statement violations, and waiting time
11 penalties).

12 7. In every year from 2020 to 2025, Thomson Reuters and Los Angeles Magazine
13 recognized me as a Top Young Attorney in Southern California in the annual Rising Star
14 Edition of Super Lawyers. This is an honor awarded to no more than two-and-a-half percent
15 (2.5%) of attorneys under the age of forty in Southern California each year.

16 8. I confirm that I do not have any interest or involvement in, and am not affiliated
17 with, the proposed settlement administrator, Apex Class Action Administration. Further, I am
18 not aware of any class, representative or other collective action pending in any court that asserts
19 claims similar to those in this action that could be extinguished or adversely affected by this
20 Settlement.

21 9. As counsel for Plaintiffs, I have been closely involved in all aspects of this
22 litigation since its inception, and believe that the proposed Class Action and PAGA Settlement
23 Agreement and Class Notice (“Settlement Agreement” or “Settlement”) is a fair and reasonable
24 result for the participating Settlement Class members.

25 10. Attached hereto as **Exhibit 1** is a true and correct copy of the parties’ Settlement
26 Agreement. A true and correct copy of the proposed Court Approved Notice of Class Action
27 Settlement and Hearing Date for Final Court Approval (“Class Notice”) is attached as Exhibit A to
28 the Settlement Agreement.

11. Plaintiffs seek preliminarily approve this non-reversionary, \$1,030,000.00 class action settlement. Settlement Class members can be easily identified using Defendant Norman Industrial Materials, Inc., dba Industrial Metal Supply Company's ("Defendant") employment and payroll records, and Settlement Class members will automatically receive their Individual Class Payment unless they affirmatively opt-out of the Settlement. Based upon the data received from Defendant, there are approximately 902 potential Settlement Class members who worked approximately 70,000 aggregate workweeks during the Class Period. After Court-approved deductions for Class Representative Service Payments, Settlement Administrator costs, the PAGA Penalties to the Labor & Workforce Development Agency ("LWDA") and PAGA Aggrieved Employees, and attorneys' fees and costs to Class Counsel, the remaining amount (the "Net Settlement Amount") of no less than approximately \$560,876.67 will be distributed to the participating Settlement Class members. This results in the highest possible Individual Class Payment of approximately \$2,419.78 (in the event a Settlement Class member performed work in every workweek during the Class Period) and average Individual Class Payments of approximately \$621.81. Further, an additional \$12,500.00 will be paid to all approximately 499 PAGA Aggrieved Employees, resulting in additional average Individual PAGA Payments of approximately \$25.00, with the highest possible Individual PAGA Payment of approximately \$63.72.

12. Defendant is a metal service supplier with store locations throughout California. Like all Settlement Class members, Plaintiffs were subject to Defendant's wage and hour policies and practices.

13. On July 27, 2023, Plaintiff Cordova filed the initial Complaint in this action, alleging Defendant failed to: (i) pay all minimum wages; (ii) pay all overtime wages; (iii) pay all sick pay wages; (iv) provide all lawful meal periods; (v) authorize and permit all lawful rest periods; (vi) issue accurate, itemized wage statements; (vii) timely pay all final wages upon separation of employment; and (viii) comply with California's Unfair Competition law.

14. In approximately August 2023, Plaintiff Huyen Phuong Le retained my firm to represent her in claims against Defendant. On August 14, 2023, my office assisted Plaintiff Le

1 in filing a separate class action complaint, Case No. 23STCV19388, alleging Defendant failed
2 to: (i) pay all overtime wages; (ii) pay all minimum wages; (iii) provide all lawful meal periods;
3 (iv) authorize and permit all lawful rest periods; (v) reimburse all necessary business
4 expenditures; (vi) issue accurate, itemized wage statements; (vii) timely pay all final wages
5 upon separation of employment; and (viii) comply with California’s Unfair Competition law.
6 On October 19, 2023, Plaintiff Le filed her first amended complaint, adding a cause of action
7 for civil penalties under the PAGA. Shortly thereafter, my office was informed of the instant
8 litigation initiated against Defendant by Plaintiff Steve Cordova.

9 15. As a material term of the Settlement, the parties have agreed to file a First
10 Amended Complaint (“FAC”), adding Plaintiff Le as a named plaintiff in the Cordova action,
11 and consolidating all causes of action and factual allegations in the Le Action and Plaintiff Le’s
12 August 14, 2023 PAGA Notice Letter to the LWDA into this action. On March 26, 2025,
13 Plaintiff Cordova filed the parties’ stipulation for leave to file the FAC in this action, which
14 remains pending the Court’s consideration. Plaintiffs will file the FAC immediately upon entry
15 of the Court’s order granting leave to amend.

16 16. Attached hereto as **Exhibit 2** are true and correct copies of Plaintiff Cordova’s
17 July 26, 2023 PAGA Notice Letter to the LWDA and Plaintiff Le’s August 14, 2023 PAGA
18 Notice Letter to the LWDA.

19 17. Plaintiffs assert that Defendant failed to authorize and permit 10 minutes “net
20 rest” for the Settlement Class Members, in violation of California law. Further, Plaintiffs allege
21 that Defendant maintains a facially unlawful rest period policy that prohibits non-exempt
22 employees from leaving the work premises during rest periods, in violation of *Augustus v. ABM*
23 *Security Services, Inc.* (2016) 2 Cal.5th 257.

24 18. In response, Defendant argues it maintains a lawful rest period policy/practice
25 that authorizes and permits the Settlement Class Members to take all lawful rest periods to
26 which they are entitled. Specifically, Defendant asserts that it has always interpreted its rest
27 period policy such that employees receive a full 10 minutes of “net rest” commencing upon
28 reaching the break room, and provided numerous declarations from putative class members

1 attesting that this interpretation was understood among the employees. Additionally, Defendant
2 maintains that, in response to the *Augustus* decision, it issued a revised rest period policy prior
3 to the start of the liability period for this action, removing the requirement that employees
4 remain on premises during rest periods. As a result, Defendant argues the rest period claim will
5 fail on the merits, and further asserts that this claim is not amenable to class treatment, as
6 individual inquiries would be required to determine whether the employee was authorized to
7 take lawful rest periods on each particular shift, for how long the employees were permitted to
8 remain in the breakroom for each rest period, and whether the employee could and/or did leave
9 the premises during each rest period, resulting in an unmanageable series of mini-trials. This
10 manageability concern is especially present as rest periods are not recorded.

11 19. Plaintiffs assert that Defendant paid Class Members non-discretionary incentive
12 pay, including shift premiums, retention bonuses, and safety bonuses, but failed to correctly
13 include the value of the incentive pay when calculating the employees' respective regular rates
14 of pay for purposes of paying overtime wages, meal period premiums, and sick pay. Defendant
15 contends that all bonus payments were discretionary and based on various and changing criteria,
16 and therefore are properly excluded from the regular rate of pay. As a result, Defendant asserts
17 that this claim fails on the merits. Defendant further asserts that this claim is unmanageable, as
18 it requires individualized inquiries into each payment to determine the terms by which each
19 bonus could be earned, whether each employee met those terms, whether the communication of
20 the bonus to employees meets the criteria necessary for a non-discretionary payment, and
21 whether there was actually any underpayment of overtime due to the bonus. Each of these steps
22 would result in an unmanageable series of mini-trials.

23 20. Plaintiffs assert that Defendant failed to provide uninterrupted, 30-minute meal
24 periods commencing before the end of the fifth hour of work. Plaintiffs also allege Defendant
25 failed to provide second meal periods on shifts over 10.0 hours. Specifically, Plaintiffs allege
26 that Defendant instructed employees to return to work after exactly 30-minutes for a meal
27 period, which did not account for travel time between the timeclocks and break rooms, resulting
28 in meal periods shorter than 30 minutes of "net rest" in an area suitable for resting separate from

1 the work station. Further, on occasions where Defendant did pay a meal period premiums, it
2 paid those premiums at the base rate of pay, resulting in underpaid meal period premium
3 payments.

4 21. Defendant argues it maintains a legally-compliant written meal period policy,
5 that it has always provided meal periods consistent with that policy, and that it is only required
6 to “provide” the opportunity to take meal periods, not “ensure” meal periods are taken.
7 Defendant further asserts that it maintains a policy of automatically paying meal period
8 premiums for first meal period violations, and maintains a practice that if a second meal period
9 violation occurs during an employee’s employment, Defendant will meet with the employee to
10 determine why a second meal period was missed and reiterate Defendant’s lawful meal period
11 policy, then will manually pay meal period premiums for those subsequent missed meal periods.
12 Further, as with rest periods, Defendant provided numerous declarations from putative class
13 members attesting that the employees were always provided with lawful meal periods, including
14 at least 30 minutes “net” in the breakroom. Defendant also argues individualized inquiries will
15 be required to determine why meal periods are late, short, or missed, whether there was a valid
16 waiver, and whether a premium was paid on each such shift, thereby precluding class
17 certification of this claim. Additionally, as stated above, Defendant asserts that any bonus
18 payments were completely discretionary and were therefore properly excluded from the regular
19 rate of pay for purposes of meal period premium payments.

20 22. Plaintiffs assert that Defendant required Plaintiffs and other non-exempt
21 employees to spend approximately 2-5 minutes booting up their computers before being able to
22 clock in at the start of their work shift. Similarly, Plaintiffs allege that Defendant required
23 Plaintiffs and other non-exempt employees to don and doff safety equipment prior to and after
24 clocking in and out, respectively, for their work shifts while off-the-clock. However, Defendant
25 failed to pay for this pre-shift and post-shift work time, resulting in additional unpaid minimum
26 and overtime wages owed.

27 23. In response, Defendant maintains its timekeeping policies/practices comply with
28 California law, and that it properly compensates Settlement Class members for all hours worked.

1 Further, Defendant asserts that this claim is not suitable for class treatment, as it requires
2 individualized inquiries into whether any employee was required to boot up their computer or
3 don and doff safety equipment while off-the-clock, and exactly how much time each employee
4 purportedly spent while off-the-clock on any given day, which is difficult as off-the-clock time
5 is inherently not recorded, resulting in an unmanageable series of mini-trials.

6 24. Plaintiffs allege that Defendant failed to reimburse Plaintiffs and the Settlement
7 Class for all necessary business expenses incurred. Specifically, Plaintiffs assert that Defendant
8 required employees to use their personal cell phones to communicate with supervisors during
9 their workday for necessary, work-related, purposes. However, Defendant did not reimburse
10 employees for a reasonable portion of their monthly cell phone bills.

11 25. Defendant argues that it maintains a policy to reimburse all reasonable and
12 necessary business expenditures and that, to the extent that any expenses were not reimbursed,
13 they were not reasonably incurred. Defendant further asserts that it provided the Settlement
14 Class members with work phones that they were instructed to use for work purposes, and
15 therefore any use of the Settlement Class members' personal phones was individualized and the
16 result of employee choice, not Defendant's policies. Defendant also maintains that this claim
17 would require a series of mini-trials to determine which employees were actually required to use
18 their cell phone for business purposes and in which pay periods such expenses were allegedly
19 incurred.

20 26. As a result of these alleged substantive violations, Plaintiffs contend that
21 Defendant is liable for derivate wage statement violations, waiting time penalties and civil
22 penalties under the PAGA. Defendant argues that the alleged wage statement violations were
23 not "knowing and intentional," and that Plaintiffs could not show they "suffer[ed] injury," as
24 required by Labor Code § 226(e) for imposition of penalties. Defendant further contends that it
25 possesses strong, good faith defenses to Plaintiffs' underlying claims, thus precluding recovery
26 of waiting time penalties (which are only available for the "willful" failure to pay wages).
27 Defendant also maintains that, given its good-faith defenses, this Court would exercise its
28

discretion to substantially reduce any PAGA penalties if it were to find Defendant liable for any of Plaintiffs' underlying claims.

27. In connection with mediation, but prior to formal written discovery, Defendant provided Plaintiffs with payroll and timekeeping records for an approximately 15% random and representative sampling of the Settlement Class spanning the putative class period, along with additional key data points and policy document. The sample was selected by Plaintiffs using the following methodology: Defendant first created a list of all putative class members who were employed at any time during the Class Period, then organized the putative class members chronologically by date of hire. Thereafter, beginning with the first employee on the list (i.e., the first employee hired by Defendant out of all employees who worked during the liability period) and continuing until the final employee on the list (i.e., the last employee hired by Defendant out of all employees who worked during the liability period), Defendant produced the complete timekeeping and payroll records for every 6th employee until the full sample reached 15% of the putative class members. Plaintiffs submit that this methodology was sufficiently randomized and resulted in a statistically significant sample upon which Plaintiffs' calculations could be reliably based by providing timekeeping and payroll records for a randomized sample that still ensured data would be produced stratified throughout the Class Period. Plaintiffs, with the help of their expert forensic and financial consultant, conducted an analysis of this data and created a comprehensive damages model to calculate the likely exposure that Defendant faced on each claim.

28. On October 8, 2024, the Parties participated in a mediation with Steven G. Mehta, Esq., a highly respected wage and hour class action mediator. During mediation, the Parties exchanged divergent views on Defendant's liability and exposure valuations, their legal positions, and the likelihood of certification of Plaintiffs' claims. Although the Parties adjourned mediation without reaching a settlement, they continued their settlement negotiations through Mr. Mehta throughout the following weeks. After additional weeks of continued negotiations, Mr. Mehta made a mediator's proposal that the Parties ultimately accepted. Over

1 the following months, the Parties negotiated and executed the Settlement now before the Court
2 for preliminary approval.

3 29. Concurrently with the filing of this motion, Plaintiffs provided notice of the
4 proposed Settlement, as well as copies of the Motion for Preliminary Approval and all papers
5 filed in support hereof, to the LWDA. Attached hereto as **Exhibit 3** are true and correct copies
6 of Plaintiffs' Settlement submission and the LWDA's confirmation of receipt.

7 30. At the time of seeking final settlement approval, Plaintiffs will apply for service
8 payments in the amount of \$7,500.00 each (\$15,000 total) for their service to the Settlement
9 Class and general release of all claims. Plaintiffs' requested service payments are intended to
10 recognize the significant benefits conferred upon the Settlement Class due to the time and effort
11 that Plaintiffs expended on behalf of the Settlement Class. Some of the activities Plaintiffs
12 completed in order to help procure the Settlement include providing factual information and
13 documents to their attorneys, identifying potential witnesses, participating in multiple meetings
14 with their attorneys to discuss the claims and theories at issue in the litigation, making
15 themselves available the entire day of mediation to assist and answer factual questions posed by
16 the mediator, reviewing and providing input regarding the settlement in this case, and otherwise
17 assisting their attorneys in moving this case towards resolution. Plaintiffs undertook significant
18 risks by agreeing to serve as the named Plaintiffs in this case (as potential employers can search
19 their names and determine they have previously sued an employer), as well as the fact that
20 Plaintiffs agreed to a general release of claims subject to a waiver of California Civil Code
21 § 1542.

22 31. Class Counsel will also apply for an attorneys' fee award of \$343,333.33 (one-
23 third of the GSA), and up to \$50,000.00 in reimbursement for actual litigation costs. Class
24 Counsel have entered into a written fee-splitting agreement. Plaintiffs were fully notified of the
25 fee-splitting agreement in writing and consented to the fee-splitting agreement in writing, in
26 compliance with California Rules of Professional Conduct, Rule 1.5.1. Plaintiffs submit that the
27 requested fee is fair compensation for undertaking complex, risky, expensive, and time-
28 consuming litigation on a purely contingent fee basis. Class Counsel incurred substantial

1 attorneys' fees conducting pre-filing investigation, retaining an expert and analyzing Plaintiffs'
2 claims, conducting legal research and analysis, reviewing documents and data produced by
3 Defendant, building a comprehensive damages model, preparing for and attending mediation,
4 negotiating and preparing the long-form Settlement Agreement, preparing this motion for
5 preliminary approval, and otherwise litigating the case. Class Counsel will also expend future
6 attorney time in attending the hearing on this Motion, overseeing the Notice process, drafting
7 the final approval motion and supporting documents, and attending the final approval hearing,
8 among other tasks.

9 32. Class Counsel, with the help of a retained expert forensic and financial
10 consultant, carefully vetted the claims at issue, reviewed a significant number of timekeeping
11 and payroll records as well as relevant policy documents, and conducted a detailed analysis of
12 that data to create a comprehensive damages model for Defendant's liability. Although this
13 Settlement was reached after a significant informal exchange of timekeeping and payroll
14 records and other relevant information for mediation purposes, the Parties had not yet engaged
15 in formal discovery and deposition efforts at the time the Parties reached the Settlement. Absent
16 settlement, the Parties would need to spend substantial time and resources to complete formal
17 written and deposition discovery and prepare the case for class certification, summary judgment
18 or adjudication, and trial. Moreover, Plaintiffs have not yet filed for class certification, and thus,
19 absent settlement, the Parties would face the prospect of appeals in the wake of a disputed class
20 certification ruling and/or an adverse summary judgment ruling. Even if Plaintiffs succeeded in
21 certifying one or more classes, the Parties would incur considerably more attorneys' fees and
22 costs through a possible decertification motion, trial, and possible appeal.

23 33. Prior to reaching the Settlement, Plaintiffs had not yet filed their motion for class
24 certification. Considering Defendant's arguments and defenses against certification, there was a
25 legitimate risk that the Court may deny certification of one or more of Plaintiffs' claims,
26 preventing the matter from continuing on a class-wide basis. Had the Court certified any claims,
27 Plaintiffs anticipated that Defendant would seek decertification. There was also a risk that
28 Defendant would engage in a campaign pursuant to *Chindarah v. Pick Up Stix, Inc.*, (2009) 171

1 Cal.App.4th 796, that could either affect Plaintiffs' ability to maintain the numerosity required
2 to proceed as a class action, or significantly reduce the size of the putative class for a fraction of
3 what Settlement Class members are receiving through this Settlement. Therefore, absent the
4 Settlement, there was a serious risk that Plaintiffs would be unable to move forward on a class-
5 wide basis.

6 34. Plaintiffs' expert's data analysis determined that non-exempt employees worked
7 an aggregate total of 333,463 shifts in excess of 3.5 hours during the Class Period. Plaintiffs
8 assert that Class Members were not authorized and permitted to take a lawful rest period on
9 approximately 40% of all shifts in excess of 3.5 hours (approximately two per workweek).
10 Plaintiffs therefore calculated Defendant's potential exposure for rest periods at \$3,197,243
11 (333,463 shifts * 40% violation rate * \$23.97 average premium).

12 35. However, Defendant argues it maintains a facially compliant written rest period
13 policy, that Class Members are encouraged to spend rest periods as they see fit (including
14 leaving the facility if they choose), and that it has always authorized and permitted rest periods
15 in compliance with that policy. As a result, Defendant argues the rest period claim is not
16 amenable to class treatment, as individual inquiries would be required to determine whether the
17 employee was authorized and permitted to take lawful rest periods on each particular shift,
18 resulting in an unmanageable series of mini-trials, particularly since rest periods are not
19 recorded. Based on these defenses, Plaintiffs discounted Defendant's maximum exposure by
20 65% for risk of non-certification and 65% for risk of being unsuccessful on the merits, to arrive
21 at an estimated exposure of \$391,662.

22 36. Plaintiffs' expert's data analysis determined the Class Members were underpaid
23 an aggregate amount of \$25,546 in overtime wages due to Defendant's failure to properly
24 calculate the regular rate of pay. Defendant asserts that all bonus payments made during the
25 Class Period were discretionary, and therefore properly excluded from the regular rate. Further,
26 Defendant asserts this claim is unmanageable, as it requires individualized inquiries into each
27 payment to determine the terms by which each bonus could be earned, whether each employee
28 met those terms, whether the communication of the bonus to employees meets the criteria

1 necessary for a non-discretionary payment, and whether there was actually any underpayment of
2 overtime on any given week due to the bonus. Given these potential defenses, Plaintiffs
3 discounted the maximum exposure by 25% for the risk of non-certification and 25% for the risk
4 of being unsuccessful on the merits, to arrive at an estimated exposure of \$14,370.

5 37. Plaintiffs' expert's data analysis determined that Settlement Class members
6 worked an aggregate total of 34,551 shifts during the Class Period that contained a facially
7 unlawful first or second meal period. Accordingly, Plaintiffs calculated Defendant's potential
8 exposure for meal periods at \$828,187 (34,551 violations x \$23.97 average meal premium).
9 However, Defendant argues it maintains a legally-compliant written meal period policy, that it
10 has always provided meal periods consistent with that policy, and that it is only required to
11 "provide" the opportunity to take meal periods, not "ensure" meal periods are taken. Defendant
12 further provided declarations from numerous putative class members attesting to being provided
13 with lawful meal periods, and asserted that it maintains a policy of automatically paying meal
14 period premiums for meal period violations. Defendant also contends that individualized
15 inquiries will be required to determine why meal periods are late, short, or missed, whether
16 there was a valid waiver, and whether a premium was paid on each such shift, thereby
17 precluding class certification of this claim. Given these potential defenses, Plaintiffs discounted
18 Defendant's maximum exposure by 40% for the risk of non-certification and 55% for the risk of
19 being unsuccessful on the merits, to arrive at an estimated exposure of \$223,610.

20 38. Plaintiffs' data analysis determined that Settlement Class members worked an
21 aggregate total of 333,463 shifts during the putative Class Period. Plaintiffs estimated that
22 employees spent approximately 2 minutes on average each workday performing off-the-clock
23 work, either donning and doffing safety equipment or booting up their computers. Plaintiffs
24 therefore calculated Defendant's potential exposure for off-the-clock violations at \$162,507 (2
25 minutes per shift * 333,463 aggregate work shifts * \$14.62 avg. minimum wage).

26 39. Defendant maintains its timekeeping policies/practices comply with California
27 law, and that it properly compensates Settlement Class members for all hours worked. Further,
28 Defendant asserts that this claim is not suitable for class treatment, as it requires individualized

1 inquiries into whether any employee was required to perform any work while off-the-clock, and
2 exactly how much time each employee purportedly spent while off-the-clock on any given day,
3 which is difficult as off-the-clock time is inherently not recorded, resulting in an unmanageable
4 series of mini-trials. Given these potential defenses, Plaintiffs discounted Defendant's
5 maximum exposure by 45% for the risk of non-certification and 45% for the risk of being
6 unsuccessful on the merits or obtaining reduced damages, to arrive at an estimated exposure of
7 \$49,158.

8 40. Based on Plaintiffs' counsel's research of JD Power and Consumer Reports'
9 analyses of average cell phone plan costs amongst the leading cell phone carriers in America,
10 Plaintiffs allege that the Class Members are owed approximately \$15 each month as a
11 reasonable portion of their cell phone bills covering work related communications. Therefore,
12 Plaintiffs calculated Defendant's potential exposure on this claim at \$265,200 (\$15
13 reimbursement x 17,680 aggregate work-months). However, Defendant argues that it provides
14 all employees who needed to use cell phones for work purposes with employer-issued work
15 phones, and maintains a policy to reimburse all reasonable and necessary business expenditures
16 and that, to the extent that any expenses were not reimbursed, they were not reasonably incurred.
17 Defendant also maintains that this claim is not certifiable, particularly because it would require
18 a series of mini-trials to determine which employees were required to use their cell phone for
19 business purposes and in which pay periods such expenses were allegedly incurred. Given these
20 potential defenses, Plaintiffs discounted Defendant's maximum exposure by 55% for the risk of
21 non-certification and 55% for the risk of being unsuccessful on the merits or obtaining reduced
22 damages, to arrive at an estimated exposure of \$53,703.

23 41. According to Plaintiffs' expert's data analysis, approximately 499 employees
24 received a total of 14,222 wage statements during the 1-year time period associated with wage
25 statement penalties. Plaintiffs therefore calculated Defendant's maximum wage statement
26 exposure at \$1,397,250 (499 "initial" violations x \$50 + 13,723 "subsequent" violations x \$100).
27 However, Defendant raised numerous defenses, including that the alleged violations, if any,
28 were not "knowing and intentional," and that Plaintiffs could not show that the Class Members

1 “suffer[ed] injury” as a result of any alleged violations. Defendant further argued that Plaintiffs’
2 underlying claims would fail, and, therefore, their derivative wage statement claim would also
3 fail. Therefore, Plaintiffs discounted the maximum exposure by 25% for the risk of non-
4 certification of the underlying claims and 85% for a risk of being unsuccessful on the merits,
5 including failing to prove the violations were “knowing and intentional,” that the Class
6 Members “suffer[ed] injury,” or that the Court would find that Defendant had a reasonable,
7 good faith belief of its compliance with wage and hour laws precluding the imposition of wage
8 statement penalties, for an estimated reasonable recovery of \$157,191.

9 42. Plaintiffs’ expert’s data analysis determined that 554 employees separated their
10 employment with Defendant during the 3-year time period associated with waiting time
11 penalties. Plaintiffs therefore calculated Defendant’s maximum waiting time penalty exposure at
12 \$3,187,051 (554 former employees x \$23.97 average hourly rate x 8 hours per day x 30 days).
13 Defendant contends Plaintiffs’ claims fail on the merits, and given it attempted to pay its
14 employees all final wages owed in good faith upon their separation, Plaintiffs cannot show that
15 any failure by Defendant to pay all final wages was wilful which is necessary to obtain waiting
16 time penalties under 8 Cal. Code Regs. § 13520. Plaintiffs discounted the value of this claim by
17 25% for the risk of non-certification of the underlying claims, and 85% for a risk of being
18 unsuccessful on the merits (including a failure to establish wilfulness) or that the Court would
19 find a reasonable, good faith dispute over whether any wages are due precluding the imposition
20 of waiting time penalties, for an estimated recovery on this claim of \$358,543.

21 43. Plaintiffs allege that PAGA civil penalties would be recoverable for each pay
22 period in which they could prove an underlying Labor Code violation. According to Plaintiffs’
23 expert’s data analysis, the Settlement Class members worked a combined total of 14,222 pay
24 periods during the PAGA liability period in which at least one of Plaintiffs’ alleged Labor Code
25 violations occurred. Plaintiffs therefore calculate Defendant’s maximum PAGA exposure at
26 \$1,422,200 (14,222 pay periods at \$100 per violation). However, these penalties derived from
27 the underlying wage and hour violations discussed above, which Defendant disputes. Plaintiffs
28 also recognize that the Court has discretion to reduce any award of PAGA penalties where it

1 views them as duplicative. Plaintiffs discounted the maximum figure by 65% for the risk of
2 losing on the merits of all underlying claims or that the scope of the PAGA claim could be
3 narrowed due to manageability concerns, and an additional 90% to account for the likelihood of
4 this Court reducing PAGA penalties awarded, to arrive at an estimated exposure of \$49,777.

5 44. Using these estimated figures for each of the claims described above, Plaintiffs
6 predicts that a projected potential recovery for the Settlement Class would be approximately
7 \$1,298,015. The GSA of \$1,030,000.00 represents approximately 79.35% of Plaintiffs'
8 projected reasonable class-wide recovery, while avoiding the further expense and risk of
9 proceeding towards class certification and trial.

10 I declare under penalty of perjury under the laws of the United States and the state of
11 California that the foregoing is true and correct. Executed on April 11, 2025, at El Segundo,
12 California.

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14 Matthew K. Moen
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EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is reached by and between Plaintiffs Steve Cordova and Huyen Phuong Le (“Plaintiffs”), as individuals and on behalf of all members of the Class (defined below), on the one hand, and Defendant Norman Industrial Materials, Inc., dba Industrial Metal Supply Company (“Defendant”), on the other hand. The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.” Plaintiffs and the Settlement Class are represented by Paul K. Haines, Fletcher W. Schmidt, Matthew K. Moen, and Susan J. Perez of Haines Law Group, APC, Mehrdad Bokhour of Bokhour Law Group, P.C., and Joshua S. Falakassa of Falakassa Law, P.C. (collectively, “Class Counsel”). Defendant is represented by Marie D. Davis and Kristina Kourasis of Landegger Verano & Davis.

1. DEFINITIONS.

- 1.1. “Action” means Plaintiff Steve Cordova’s lawsuit alleging wage and hour violations against Defendant captioned *Steve Cordova v. Norman Industrial Materials, Inc.*, Case No. 23STCV17785 initiated on July 27, 2023, and pending in Superior Court of the State of California, County of Los Angeles.
- 1.2. “Settlement Administrator” means Apex Class Action Administration, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employees” means “all current and former nonexempt employees of Defendant in California who worked at any time between July 27, 2022, and the date of preliminary approval.”
- 1.5. “Class” means “all current and former non-exempt employees who worked for Defendant Norman Industrial Materials, Inc., dba Industrial metal Supply Company, in California at any time between July 27, 2019 and the date of preliminary approval.”
- 1.6. “Class Counsel” means Paul K. Haines, Fletcher W. Schmidt, Matthew K. Moen, and Susan J. Perez of Haines Law Group, APC, Mehrdad Bokhour of Bokhour Law Group, P.C., and Joshua S. Falakassa of Falakassa Law, P.C.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means a complete list of all Settlement Class members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator. The Class Data will be formatted in a readable Microsoft Office Excel

spreadsheet containing the following information for each Settlement Class member: full name, last known mailing address, phone number, Social Security number, workweek data for all Settlement Class members during the Class Period, and pay period data for all PAGA Aggrieved Employees during the PAGA Period.

- 1.9. “Class Member” or “Settlement Class Member” means all individuals who meet the definition of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non- Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. “Class Member Address Search” means the Settlement Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database (“NCOA”), skip traces, and direct contact by the Administrator with Class Members.
- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English only, in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period between July 27, 2019, and the date of preliminary approval.
- 1.13. “Class Representatives” means the named Plaintiffs in the operative complaint in the Action seeking Court approval to serve as Class Representatives, Steve Cordova and Huyen Phuong Le.
- 1.14. “Class Representative Service Payment” means the amount to be paid to Plaintiffs for initiating the Related Actions, in recognition of their respective efforts and work in prosecuting the related Actions on behalf of the Class Members and PAGA Aggrieved Employees, and in exchange for a general release of claims against Defendant.
- 1.15. “Cordova First Amended Complaint” or “Cordova FAC” means the First Amended Complaint that Plaintiff Cordova will file in the Action, adding Plaintiff Le as a named plaintiff in the Cordova Action, consolidating all causes of action and factual allegations in the Le Action into the Cordova Action, and consolidating all claims under the PAGA based on the facts alleged in Plaintiff Le’s August 14, 2023 PAGA Notice to the LWDA into the Cordova Action.
- 1.16. “Court” means the Superior Court of California, County of Los Angeles.
- 1.17. “Defendant” means Defendant Norman Industrial Materials, Inc., dba Industrial Metal Supply Company.
- 1.18. “Defense Counsel” means Marie D. Davis and Kristina Kourasis of Landegger Verano & Davis, ALC.

- 1.19. “Effective Date” means the date when the Court enters a final Judgment and Order Granting Final Approval of the Settlement. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court signs the Judgment and Order Granting Final Approval; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment if no appeal, writ, or other appellate proceeding have been filed; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment without material modification and issues a remittitur.
- 1.20. “Final Approval” means the determination by the Court that the Settlement is fair, reasonable, and adequate, and enters an order granting final approval of the Settlement and Judgment based thereon.
- 1.21. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement, at which the Court will consider and determine whether the Settlement should be granted Final Approval.
- 1.22. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.23. “Gross Settlement Amount” means One Million Thirty Thousand Dollars and Zero Cents (\$1,030,000.00) to be paid by Defendant in full satisfaction of the Related Actions, which includes all Attorneys’ Fees and Costs, the Class Representative Service Payments, the PAGA Penalties, Settlement Administration Costs, and Individual Settlement Payments to be paid to the Settlement Class members. Defendant shall pay the employer’s share of all payroll taxes separately from and in addition to the Gross Settlement Amount. The Gross Settlement Amount is non-reversionary, and no portion thereof shall return to Defendant.
- 1.24. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount that a Class member may be eligible to receive under the Class Settlement.
- 1.25. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties that each PAGA Aggrieved Employee shall receive through the Settlement in exchange for the Released PAGA Claims.
- 1.26. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.27. “Le Action” means Plaintiff Huyen Phuong Le’s lawsuit alleging wage and hour violations against Defendant captioned *Huyen Phuong Le v. Norman Industrial Materials, Inc., dba Industrial Metal Supply Company*, Case No. 23STCV19388 initiated on August 14, 2023, and pending in Superior Court of the State of California, County of Los Angeles.
- 1.28. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code § 2699, subd. (i).
- 1.29. “LWDA PAGA Payment” means the 75% portion of the PAGA Penalties paid to the LWDA under Labor Code § 2699, subd. (i).

- 1.30. “Net Settlement Amount” means the portion of the Gross Settlement Amount that is available for distribution to Settlement Class members after deducting from the Gross Settlement Amount the Court-approved Attorneys’ Fees and Costs, Class Representative Service Payments, PAGA Penalties, and Settlement Administration Costs.
- 1.31. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.32. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).
- 1.33. “PAGA Aggrieved Employee(s)” means all current and former non-exempt employees who worked for Defendant in California at any time during the PAGA Period.
- 1.34. “PAGA Notice” means Plaintiff Cordova’s July 26, 2023, letter to Defendant and the LWDA and Plaintiff Le’s August 14, 2023, letter to Defendant and the LWDA providing notice pursuant to Labor Code § 2699.3, subd.(a).
- 1.35. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.36. “PAGA Period” means the period between July 27, 2022, and the date of preliminary approval.
- 1.37. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, equal to Fifty Thousand Dollars and Zero Cents (\$50,000.00), allocated 25% to the Aggrieved Employees (\$12,500.00) and the 75% to LWDA (\$37,500.00) in settlement of PAGA claims.
- 1.38. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.39. “Plaintiffs” means Steve Cordova and Huyen Phuong Le, the named plaintiffs in the Action.
- 1.40. “Preliminary Approval” means the date on which the Court enters the Preliminary Approval Order.
- 1.41. “Preliminary Approval Order” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.42. “Related Actions” means the actions being resolved through this Settlement, *Steve Cordova v. Norman Industrial Materials, Inc.*, Case No. 23STCV17785, and *Huyen Phuong Le v. Norman Industrial Materials, Inc., dba Industrial Metal Supply Company*, Case No. 23STCV19388.
- 1.43. “Released Class Claims” means any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, damages, or causes of action which are asserted, or which could have been asserted, based on the facts and claims alleged in the

Cordova FAC that arose during the Class Period. This release shall extend to the limits of the Class Period.

- 1.44. “Released PAGA Claims” means any and all claims for civil penalties under PAGA and/or PAGA causes of action which were alleged in the Cordova FAC and asserted in Plaintiff Cordova’s July 26, 2023 PAGA Notice Letter to the LWDA or Plaintiff Le’s August 14, 2023 PAGA Notice Letter to the LWDA, arising during the PAGA Period. This release shall extend to the limits of the PAGA Period. The released PAGA Claims in this paragraph does not include the PAGA Aggrieved Employees’ underlying wage and hour claims.
- 1.45. “Released Parties” means: Defendant and its past and present subsidiaries, dba’s, affiliates, parents, predecessors, successors, investors, and their current and former employees, agents, directors, owners, shareholders, assigns, officers, members, representatives, insurers, reinsurers, and attorneys.
- 1.46. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.47. “Response Deadline” means 60 calendar days after the Settlement Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.48. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.49. “Settlement Administration Costs” means the costs payable from the Gross Settlement Amount to the Settlement Administrator for its administration services in connection with the Settlement.
- 1.50. “Settlement Administrator” means Apex Class Action Administration, the neutral third-party class action settlement administrator agreed to by the Parties and approved by the Court for the purposes of administering the Settlement. The Parties and their counsel each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.
- 1.51. “Workweek” means any week during which a Class Member worked for Defendant in California for at least one day, during the Class Period.

2. RECITALS.

- 2.1. On July 27, 2023, Plaintiff Cordova filed a class action complaint against Defendant in Los Angeles County Superior Court, titled *Steve Cordova v. Norman Industrial Materials, Inc.*, Case No. 23STCV17785 (the “Cordova Action”), alleging that Defendant: (i) failed to pay all minimum wages; (ii) failed to pay all overtime wages; (iii) failed to pay all sick pay wages; (iv) failed provide all lawful meal periods; (v) failed to authorize and permit all lawful

rest periods; (vi) failed to issue accurate itemized wage statements; (vii) failed to timely pay all final wages due upon separation from employment; and (viii) failed to comply with California's Unfair Competition laws.

- 2.2. On August 14, 2023, Plaintiff Le filed a class action complaint against Defendant in Los Angeles County Superior Court, titled *Huyen Phuong Le v. Norman Industrial Materials, Inc., dba Industrial Metal Supply Company*, Case No. 23STCV19388 (the "*Le Action*") (together with the *Cordova Action*, the "Related Actions"). On October 19, 2023, Plaintiff Le filed a First Amended Complaint, alleging that Defendant (i) failed to pay all overtime wages; (ii) failed to pay all minimum wages; (iii) failed to provide all meal periods; (iv) failed to authorize and permit all lawful rest periods; (v) failed to reimburse necessary business expenditures; (vi) failed to issue accurate itemized wage statements; (vii) failed to timely pay all final wages due upon separation from employment; (viii) failed to comply with California's Unfair Competition laws; and (ix) is liable for civil penalties under the Private Attorneys General Act, Labor Code § 2968 *et seq.* ("PAGA"). Defendant denies the allegations in the Related Actions, denies any failure to comply with the laws identified in the Related Actions, and denies any and all liability for the causes of action alleged.
- 2.3. As a material term of this Settlement, the Parties agree that Plaintiff Cordova will file a First Amended Complaint ("FAC") in the *Cordova Action*, adding Plaintiff Le as a named plaintiff in the *Cordova Action*, consolidating all causes of action and factual allegations in the *Le Action* into the *Cordova Action*, and consolidating all claims under the PAGA based on the facts alleged in Plaintiff Le's August 14, 2023 PAGA Notice to the LWDA into the *Cordova Action*. Following the filing of the FAC, Plaintiff Le will dismiss the *Le Action*, without prejudice
- 2.4. On October 8, 2024, the Parties participated in an all-day mediation presided over by Steve G. Mehta, Esq., which led to this Agreement to settle the Action. Prior to mediation, Plaintiffs obtained, through informal discovery, timekeeping and payroll records for an approximately 15% sampling of the putative class members spanning a 4-year period. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").
- 2.5. The Court has not granted class certification.
- 2.6. The Parties agree that class certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations. The Parties shall revert to the respective positions they held prior to entering into the Settlement.
- 2.7. The Parties, Class Counsel and Defense Counsel represent that, with the exception of *Le* and *Cordova*, they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. **MONETARY TERMS.**

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay One Million Thirty Thousand Dollars and Zero Cents (\$1,030,000.00) and no more as the Gross Settlement Amount, and to pay all employer payroll taxes owed on the wage portions of the Individual Class Payments separate and apart from, and in addition to, the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 3.2. Payments from the Gross Settlement Amount. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel's Fees Payment, Class Counsel's Litigation Expenses Payment, the Class Representatives' Service Payments, the Settlement Administrator's fees and expenses for administration, and the PAGA Amount. The remaining amount shall be known as the "Net Settlement Amount":
- 3.2.1. To Plaintiffs: Class Representative Service Payments to the Class Representatives of not more than \$7,500.00 (\$15,000.00 total) (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as Participating Class Members). Defendant will not oppose Plaintiffs' request for Class Representative Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves Class Representative Service Payments less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount, Plaintiffs shall not have the right to revoke the Settlement Agreement for that reason, and the Settlement will remain binding. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payments.
- 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 1/3 of the Gross Settlement Amount, which is currently estimated to be \$343,333.33, plus actual costs and expenses incurred by Class Counsel related to the Related Actions as supported by declaration, which are currently estimated to be no greater than \$50,000.00. Defendant will not oppose requests for these payments provided they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount, Class Counsel shall not have the right to revoke the Settlement Agreement based on that reason, and the Settlement will remain binding. Released Parties shall

have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

- 3.2.2.1. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed, and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Courts approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections.
- 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$10,790.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than the above stated amount, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4. To Each Participating Class Member: Settlement Class members are not required to submit a claim form to receive a payment from the Settlement. Individual Settlement payments will be determined and paid as follows:
 - 3.2.4.1. Wage Statement Amount: Ten percent (10%) of the Net Settlement Amount shall be designated as the "Wage Statement Amount." Each Participating Settlement Class Member who was employed by Defendant at any time between July 27, 2022 and the end of the Class Period, shall receive a portion of the Wage Statement Amount proportionate to the number of workweeks that he or she worked during the aforementioned time period, by multiplying the Wage Statement Amount by a fraction, the numerator of which is the Settlement Class Member's total workweeks worked during the aforementioned time period, and the denominator of which is the aggregate number of workweeks worked by all Participating Settlement Class Members during the aforementioned time period.
 - 3.2.4.2. Waiting Time Amount: Fifteen percent (15%) of the Net Settlement Amount shall be designated as the "Waiting Time Amount." The Waiting Time Amount shall be distributed in equal, pro-rata shares to each Participating Settlement Class member who separated their employment from Defendant at any time between July 27, 2020, and the end of the Class Period.
 - 3.2.4.3. The remainder of the Net Settlement Amount will be distributed to each Participating Settlement Class Member based on their proportionate number of workweeks worked during the Class Period, by multiplying the remaining Net Settlement Amount by a fraction, the numerator of which is

the Settlement Class member's total workweeks worked during the Class Period, and the denominator of which is the total number of workweeks worked by all Participating Settlement Class Members during the Class Period

- 3.2.4.4. Within ten (10) business days following the full funding of the Maximum Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate each Settlement Class member's Individual Settlement Payment and will prepare and mail the Individual Settlement Payments to the Participating Settlement Class members.

- 3.2.4.5. Tax Allocation of Individual Class Payments. Each Individual Settlement Payment shall be allocated as ten percent (10%) wages (subject to applicable withholdings), and ninety percent (90%) interest and penalties (not subject to withholdings). The portion of the PAGA Amount payable to the PAGA Aggrieved Employees shall be allocated as 100% penalties. The Settlement Administrator will be responsible for issuing to Participating Settlement Class members an IRS Form W-2 for amounts paid as wages, and an IRS Form 1099 for amounts paid as penalties and interest. Settlement Class members are responsible for their share of the payroll taxes on portions of the Individual Settlement Payments allocated as unpaid wages, which will be deducted from their Individual Settlement Payments.

- 3.2.4.6. The Settlement Administrator shall fully discharge its obligations to the Participating Settlement Class members through the mailing of an Individual Settlement Payment, regardless of whether such checks are actually received and/or negotiated by the recipients. Each member of the Settlement Class who receives an Individual Settlement Payment must cash that check within one hundred eighty (180) days from the date the Settlement Administrator mails it. Any check that is not negotiated within one hundred eighty (180) days of mailing to a Settlement Class member shall be transferred to the California State Controller's Unclaimed Property Fund in the name of the Class Member to whom the check was issued, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure § 384(b).

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

- 3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$50,000.00 to be paid from the Gross Settlement Amount. Per Labor Code § 2699(i), 75% of such penalties (\$37,500.00) will be payable to the LWDA and the remaining 25% (\$12,500.00) will be payable to the PAGA Aggrieved Employees as Individual PAGA Payments.

- 3.2.5.1. The \$12,500.00 payable to the PAGA Aggrieved Employees as their 25% portion of the PAGA Amount shall be paid to each PAGA Aggrieved Employee who was employed by Defendant at any time during the PAGA Period, regardless of whether they timely submit a Request for Exclusion, proportionate to the number of workweeks that he or she worked during the PAGA Period compared to the aggregate number of workweeks worked by all PAGA Aggrieved Employees during the PAGA Period.
- 3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Class Workweeks. Based on a review of its records, Defendant estimates Class Members collectively worked a total of 70,000 Workweeks during the Class Period.
- 4.2. Class Data. Not later than 10 business days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 30 days after the Court enters a Judgment on its Order Granting Final Approval of the Settlement, assuming no objections or appeals. Should an objection or appeal be filed, Defendant will fund the Gross Settlement Amount within 30 days of the date the Court signs an order Granting Final Approval. The Parties agree that Defendant's payment of the Gross Settlement Amount shall be made via electronic transfer of funds, pursuant to the Settlement Administrator's electronic transfer instructions. No later than 10 calendar days after the Parties execute this Agreement, or as soon thereafter as possible, the Settlement Administrator shall provide the electronic transfer instructions to Defense Counsel. Defendant's payment obligations under the Settlement shall be met upon initiating the electronic transfer of funds to the Settlement Administrator, pursuant to its instructions.
- 4.4. Payments from the Gross Settlement Amount. Within 10 business days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the

Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

- 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
- 4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.4.3. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.
- 4.4.4. Neither Plaintiffs nor Defendant shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts or omission or commission, the same is true for the Settlement Administrator.

[PARAGRAPH 5 MISSING IN MODEL]

6. **RELEASES OF CLAIMS.** As of the Effective Date, Plaintiffs and all Participating Class Members will release claims against all Released Parties as follows:
 - 6.1 **Plaintiffs' Release.** In light of Plaintiffs' Class Representative Enhancement Awards, Plaintiffs agree to a general release, as individuals and in addition to the Released Class

Claims and Released PAGA Claims described above, of any and all claims, whether known or unknown, under federal law or state law against Defendant and Released Parties. Plaintiffs understand that this release includes unknown claims and that Plaintiffs are, as a result, waiving all rights and benefits afforded by California Civil Code Section 1542.

- 6.1.1 Plaintiffs' Waiver of Rights Under California Civil Code § 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of California Civil Code § 1542, which reads:

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

Nothing contained herein shall constitute a release of any rights or claims that cannot be waived as a matter of law (including but not limited to claims arising under workers' compensation laws). Nor shall anything contained herein be construed to exclude the filing of an administrative charge or complaint with the Equal Employment Opportunity Commission or National Labor Relations Board, or participation in an administrative investigation or proceeding

- 6.2 Release by Participating Class Members: Plaintiffs and all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, who do not timely opt out shall fully and finally release and discharge the Released Parties from liability for any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, or causes of action which are asserted or which could have been asserted based on the facts alleged in the Cordova FAC that arose during the Class Period. This release shall run from July 27, 2019 through the close of the Class Period.
- 6.2 Release by Aggrieved Employees: Plaintiffs and all PAGA Aggrieved Employees, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, regardless of whether they submit a timely Request for Exclusion from the class action portion of the Settlement, shall be deemed to have released and discharged the Released Parties from any and all claims for civil penalties under the PAGA and/or PAGA causes of action which were alleged in the Cordova FAC and asserted in Plaintiff Cordova's July 26, 2023 PAGA Notice Letter to the LWDA or Plaintiff Le's August 14, 2023 PAGA Notice Letter to the LWDA, arising during the PAGA Period. This release shall extend to the limits of the PAGA Period. The Released PAGA Claims in this paragraph do not include the PAGA Aggrieved Employees' underlying wage and hour claims.
7. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

- 7.1 Defendant's Declaration in Support of Preliminary Approval. Sufficiently in advance

of the deadline to file the Motion for Preliminary Approval, Defendant will prepare and deliver to Class Counsel a signed Declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and Defendant shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 7.2 Plaintiffs' Responsibilities. Plaintiffs will prepare all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code § 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (v) signed declarations from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members and/or the Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code § 2699.3, subd. (a)), Operative Complaint (Labor Code § 2699, subd. (l)(1)), this Agreement (Labor Code § 2699, subd. (l)(2)); and (vii) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. In their Declarations, Plaintiffs' and Class Counsel's Declarations shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 7.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval as soon as practicable after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

- 7.4 Duty to Cooperate. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

8. SETTLEMENT ADMINISTRATION.

- 8.1 Selection of Administrator. The Parties have jointly selected Apex Class Action Administration to serve as the Administrator and verified that, as a condition of appointment, Apex Class Action Administration agrees to be bound by this Agreement and to perform, as

a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. Defendant will not object to Plaintiffs seeking approval to pay up to \$10,790.00 for the administration services from the Gross Settlement Amount. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

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

8.4 Notice to Class Members.

8.4.1 As expeditiously as possible after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.

8.4.2 Within ten (10) business days from receipt of this information, the Settlement Administrator shall (i) run the names of all Settlement Class members through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Individual Settlement Payment for each Settlement Class member; and (iv) mail a Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.

8.4.3 Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline, as defined below, shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within five (5) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member. Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have an additional fourteen (14) calendar days after the Response Deadline to opt-out, object, or dispute their Individual Settlement Payment. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline.

8.4.4 The deadlines for Class Members’ written objections, Challenges to

Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the (60) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

8.4.5 If the Administrator, Defendant or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

8.4.6 Notice of Final Judgment. A notice of the Court's Final Judgment and Order will be posted on the Settlement Administrator's website for the Settlement Class members and PAGA Aggrieved Employees, in compliance with CRC Rule 3.771(b).

8.5 Requests for Exclusion (Opt-Outs). Any Settlement Class member who wishes to opt-out of the Settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within sixty (60) calendar days of the date of the initial mailing of the Notice Packets (the "Response Deadline")

8.5.1 The Notice Packet shall state that Settlement Class members who wish to exclude themselves from the Settlement must submit the Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement, except a Request for Exclusion not containing a Class Member's telephone number and/or last four digits of the Social Security number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon.

8.5.2 At no time will the Parties or their counsel seek to solicit or otherwise encourage any Settlement Class member to object to the Settlement or opt-out of the Settlement Class or encourage any Settlement Class member to appeal from the Judgment. The Parties and their respective counsel each agree that they will not distribute to any Settlement Class member any documents, notices, or information regarding the Related Actions or the settlement other than documents, notices, or

information approved by the Court, including but not limited to any documents, notices, or information that would encourage or discourage a Settlement Class member from opting out, unless a specific request is first made to them by the Settlement Class member.

8.5.3 PAGA Aggrieved Employees. Notwithstanding the foregoing, the PAGA settlement and release provisions of this Settlement will apply to all PAGA Aggrieved Employees whether or not they exclude themselves from the class action portion of the Settlement. All PAGA Aggrieved Employees shall receive their share of the PAGA Amount and will be deemed to have released the Released PAGA Claims, regardless of whether or not they timely request to be excluded from the class action portion of the Settlement.

8.6 Notice of Individual Settlement Payment / Disputes. Each Notice Packet mailed to a Settlement Class member shall disclose the amount of the Settlement Class member's estimated Individual Settlement Payment as well as all of the information that was used to calculate the Individual Settlement Payment. Settlement Class members will have the opportunity, should they disagree with Defendant's records regarding the information stated in the Notice of Individual Settlement Payment, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Settlement Agreement. However, if the Settlement Administrator and the Parties cannot agree on a resolution, the Parties will submit the dispute to the Court for a final determination.

8.7 Objections to Settlement. Members of the Settlement Class who do not opt-out may object to this Settlement Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendant's counsel, as well as file all such objections with the Court) within the Response Deadline. Defense counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval. To be valid, any objection must be postmarked no later than the Response Deadline. Any Settlement Class member who wishes to may appear in person or through their own counsel and raise an objection at the Final Approval Hearing.

8.8 Defendant understands its legal obligation not to retaliate against the Settlement Class members for their participation and/or election to participate in the benefits to be afforded any of them by the Settlement and/or the Action.

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

8.9.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing

and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

8.9.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 7 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

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

8.9.4 Administrator’s Declaration. Not later than 14 days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.

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

8.9.6 Notice of Final Judgment. A notice of the Court's Final Judgment and Order will be posted on the Settlement Administrator's website for the Settlement Class members and PAGA Aggrieved Employees, in compliance with CRC Rule 3.771(b).

9. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** In advance of mediation, Defendant represented that there are an estimated 70,000 aggregate workweeks worked by the approximately 902 Settlement Class members at the time of mediation. If the actual number of aggregate workweeks worked by the Settlement Class members during the Class Period exceeds this figure by 10% or more (i.e., if there are 77,000 or more aggregate workweeks worked by the Settlement Class members), Defendant shall increase the Maximum Settlement Amount on a proportional basis (i.e., if there was a 12% increase in the number of aggregate workweeks, Defendant shall increase the Maximum Settlement Amount by 12%).

10. **MOTION FOR FINAL APPROVAL.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Agreement, Plaintiffs shall apply to the Court for entry of an Order:

10.1. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate, and directing consummation of its terms and provisions;

10.2. Approving Plaintiffs' and Class Counsel's application for attorneys' fees and costs, Class Representative Service Payments, settlement administration costs, and payment to the LWDA for its share of civil penalties under PAGA; and

10.3. Entering judgment pursuant to California Rule of Court 3.769. Said Judgment shall be posted on the Settlement Administrator's website.

10.4 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

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

10.6 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law. The Parties agree that the Los Angeles County Superior Court shall have jurisdiction to enforce this Settlement pursuant to California Code of Civil Procedure section 664.6, and California Rule of Court 3.769.

- 10.7 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 10.8 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.
11. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure § 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.
12. **ADDITIONAL PROVISIONS.**
- 12.1 Non-Admission of Liability. Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.
- 12.2 Waiver and Amendment. The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties or their respective counsel, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.
- 12.3 Confidentiality. The Parties agree to keep this Settlement Agreement confidential (except for purposes of enforcement) through preliminary approval. Thereafter, the Parties agree to make no comments to the media or otherwise publicize the terms of the settlement. Nothing herein shall prohibit any of the Parties from disclosing information relating to the

Settlement Agreement to Settlement Class members, as required to effectuate the terms of the Settlement Agreement as set forth herein, as necessary in any filings with the Court in order to seek approval of the Settlement, and as required by law.

- 12.4 Notices. All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Plaintiffs: Fletcher W. Schmidt of Haines Law Group, APC
2155 Campus Drive, Suite 180, El Segundo, CA 90245
fschmidt@haineslawgroup.com

if to Defendant: Marie D. Davis of Landegger Verano & Davis, ALC
15760 Ventura Blvd., Suite 1200, Encino, CA 91436
marie@landeggeresq.com

- 12.5 Entire Agreement. This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

- 12.6 Cooperation. The Parties agree to work cooperatively, diligently and in good faith to ensure that all documents necessary to effectuate this Settlement are properly and timely filed.

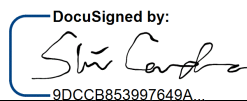
- 12.7 Counterparts. This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

- 12.8 Enforcement Action. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

IN WITNESS THEREOF, the Parties to this Settlement Agreement each acknowledge that they have read the foregoing Settlement Agreement, accept and agree to the provisions contained herein, and hereby execute it voluntarily and with full understanding of its consequences.

PLAINTIFF STEVE CORDOVA

Dated: 3/19/2025

DocuSigned by:

9DCCB853997649A

Plaintiff and Settlement Class Representative

PLAINTIFF HUYEN PHUONG LE

Dated: 03/18/2025


Huyen Phuong Le (Mar 18, 2025 17:52 PDT)

Plaintiff and Settlement Class Representative

NORMAN INDUSTRIAL MATERIALS INC.

Dated: _____

By: _____

Its: _____

APPROVED AS TO FORM:

HAINES LAW GROUP, APC

Dated: 03/18/2025

By:  _____

Paul K. Haines

Fletcher W. Schmidt

Matthew K. Moen

Attorneys for Plaintiffs

BOKHOUR LAW GROUP, P.C.

Dated: _____

By: _____

Mehrdad Bokhour

Attorneys for Plaintiffs

FALAKASSA LAW, P.C.

Dated: _____

By: _____

Joshua Falakassa

Attorneys for Plaintiffs

LANDEGGER VERANO & DAVIS, ALC

Dated: _____

By: _____

Marie D. Davis

Kristina Kourasis

Attorneys for Defendant

PLAINTIFF HUYEN PHUONG LE

Dated: _____

Plaintiff and Settlement Class Representative

NORMAN INDUSTRIAL MATERIALS INC.

Dated: _____

By: _____

Its: _____

APPROVED AS TO FORM:

HAINES LAW GROUP, APC

Dated: _____

By: _____

Paul K. Haines

Fletcher W. Schmidt

Matthew K. Moen

Attorneys for Plaintiffs

BOKHOUR LAW GROUP, P.C.

Dated: 3/18/2025

Signed by:
By: Mehrdad Bokhour
D8D3643E271940F

Mehrdad Bokhour

Attorneys for Plaintiffs

FALAKASSA LAW, P.C.

Dated: 3/18/2025

DocuSigned by:
By: Joshua Falakassa
15A628B2C5A149C...

Joshua Falakassa

Attorneys for Plaintiffs

LANDEGGER VERANO & DAVIS, ALC

Dated: _____

By: _____

Marie D. Davis

Kristina Kourasis

Attorneys for Defendant

PLAINTIFF HUYEN PHUONG LE

Dated: _____

Plaintiff and Settlement Class Representative

NORMAN INDUSTRIAL MATERIALS INC.

David Pace

Dated: 3/10/2025

By: David Pace
Its: President

APPROVED AS TO FORM:

HAINES LAW GROUP, APC

Dated: _____

By: _____
Paul K. Haines
Fletcher W. Schmidt
Matthew K. Moen
Attorneys for Plaintiffs

BOKHOUR LAW GROUP, P.C.

Dated: _____

By: _____
Mehrddad Bokhour
Attorneys for Plaintiffs

FALAKASSA LAW, P.C.

Dated: _____

By: _____
Joshua Falakassa
Attorneys for Plaintiffs

LANDEGGER VERANO & DAVIS, ALC

Dated: March 10, 2025

By: *Kristina Kourasis*

Marie D. Davis
Kristina Kourasis
Attorneys for Defendant

Exhibit A

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

Steve Cordova, et al. v. Norman Industrial Materials, Inc., Los Angeles Superior Court Case No. 23STCV17785

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

You may be eligible to receive money from a proposed Settlement in a class action lawsuit ("Action") filed against Norman Industrial Materials, Inc., dba Industrial Metal Supply Company ("Defendant") for alleged wage and hour violations. The Action was filed by former employees of Defendant, Steve Cordova and Huyen Phuong Le ("Plaintiffs"), and seeks payment of unpaid minimum and overtime wages, sick pay wages, meal and rest period premium wages, unreimbursed business expenses, wage statement penalties, and waiting time penalties for Class Members (defined as all current and former non-exempt employees who worked for Defendant Norman Industrial Materials, Inc., dba Industrial Metal Supply Company, in California at any time between July 27, 2019 and <<END OF CLASS PERIOD>> (the "Class Period")); and (2) penalties under the California Private Attorney General Act ("PAGA") for all Aggrieved Employees (defined as all current and former non-exempt employees who worked for Defendant in California at any time between July 27, 2022 and <<END OF PAGA PERIOD>> (the "PAGA Period")).

Defendant denies Plaintiffs' claims. The proposed Settlement is not an admission of liability by Defendant. Throughout the pendency of the Action, Defendant has denied any liability or wrongdoing, or that any compensable injury arose out of any of the matters alleged in the Action. Defendant contends that it has complied with all California and federal laws regarding those matters. Defendant has entered into the Settlement solely for purposes of compromising and settling the action to avoid the cost and operational burden of continued litigation.

The Action has been vigorously litigated since it was filed. Additionally, the parties participated in a mediation conducted by a professional mediator, wherein the parties reached an agreement to settle the Action.

The Court has not made a determination about Plaintiffs' claims. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of Plaintiffs' claims. The Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, reasonable, and adequate. Any final determination of those issues will be made at the Final Approval Hearing.

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

Based on Defendant's records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be \$<<CLASS PAYMENT>> (less withholding) and your Individual**

PAGA Payment is estimated to be \$<<PAGA PAYMENT>>. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendant’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendant’s records showing that **you worked <<CLASS WORKWEEKS>> workweeks** during the Class Period, that **you <<DID/DID NOT>> separate your employment from Defendant** between July 27, 2020 and **<<END OF CLASS PERIOD>>**, and **you worked <<PAGA PAY PERIODS>> pay periods** during the PAGA Period. If you believe that you worked more during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

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

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

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

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

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

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former employees of Defendant. In the Action, Plaintiffs allege that Defendant violated California labor laws by failing to pay all overtime wages, minimum wages, and sick pay wages, failing to provide meal periods, authorize and permit rest periods, reimburse all necessary business expenses incurred, issue accurate itemized wage statements, and pay all final wages upon separation of employment. Based on the same claims, Plaintiffs have also asserted a claim for civil

penalties under the California Private Attorneys General Act (Labor Code §§ 2698, *et seq.*). Plaintiffs are represented by attorneys in the Action: Paul K. Haines, Fletcher W. Schmidt, Matthew K. Moen, and Susan J. Perez of Haines Law Group, APC, Mehrdad Bokhour of Bokhour Law Group, P.C., and Joshua S. Falakassa of Falakassa Law, P.C. (“Class Counsel.”).

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

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

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

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

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

1. Defendant Will Pay \$1,030,000.00 as the Gross Settlement Amount (Gross Settlement). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the LWDA. Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement not more than 30 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$343,333.33 (1/3 of the Gross Settlement) to Class Counsel for attorneys’ fees and up to \$50,000.00 for their litigation expenses. To date, Class Counsel

have worked and incurred expenses on the Action without payment.

- B. Up to \$7,500.00 each (\$15,000.00 total) to Plaintiffs as Class Representative Service Payments for filing the Action, working with Class Counsel and representing the Class. A Class Representative Service Payment will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payments and any Individual PAGA Payments.
- C. Up to \$10,790.00 to the Administrator for services administering the Settlement.
- D. Up to \$50,000.00 for PAGA Penalties, allocated 75% to the LWDA and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

- 3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
- 4. Taxes Owed on Payments to Class Members. Plaintiffs and Defendant are asking the Court to approve an allocation of 10% of each Individual Class Payment to taxable wages ("Wage Portion") and 90% to interest and penalties ("Non-Wage Portion."). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

- 5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). **If you do not cash it by the void date, your check will be automatically cancelled, and the monies will be transmitted to California Controller's Unclaimed Property Fund in your name, so that you may recover the funds at a later date.**
- 6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than <<RESPONSE DEADLINE>>, that you wish

to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by <<RESPONSE DEADLINE>>. The Request for Exclusion should be a letter from the Class Member setting forth a Class Member's name, present address, telephone number, last four digits of the Class Member's social security number, and a simple statement electing to be excluded from the Settlement. The Request for Exclusion must be signed by the Class Member. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

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

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void (Defendant will not pay any money and Class Members will not release any claims against Defendant).
8. Administrator. The Court has appointed a neutral company, Apex Class Action Administration (the "Administrator"), to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
9. Participating Class Members' Release. After the Judgment is final and Defendant has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

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

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release and discharge Defendant and its past and present subsidiaries, dba's, affiliates, parents, predecessors, successors, investors, and their current and former employees, agents, directors, owners, shareholders, assigns, officers, members, representatives, insurers, reinsurers, and attorneys ("Released Parties") from liability for any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, or causes of

action which are asserted, or which could have been asserted, based on the facts and claims alleged in the Cordova FAC that arose during the Class Period. This release shall run from July 27, 2019 through the close of the Class Period.

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

The Aggrieved Employees will be bound by the following release:

Plaintiffs and all PAGA Aggrieved Employees are deemed to release and discharge, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, regardless of whether they submit a timely Request for Exclusion from the class action portion of the Settlement, the Released Parties from any and all claims for civil penalties under the PAGA and/or PAGA causes of action which were alleged in the Cordova FAC and asserted in Plaintiff Cordova's July 26, 2023 PAGA Notice Letter to the LWDA or Plaintiff Le's August 14, 2023 PAGA Notice Letter to the LWDA, arising during the PAGA Period. This release shall extend to the limits of the PAGA Period. The Released PAGA Claims in this paragraph do not include the PAGA Aggrieved Employees' underlying wage and hour claims.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments based on the following formula:
 - A. Ten percent (10%) of the Net Settlement Amount shall be designated as the "Wage Statement Amount." Each Participating Class Member who was employed by Defendant at any time between July 27, 2022 and the end of the Class Period, shall receive a portion of the Wage Statement Amount proportionate to the number of workweeks that he or she worked during the aforementioned time period, by multiplying the Wage Statement Amount by a fraction, the numerator of which is the Settlement Class Member's total workweeks worked during the aforementioned time period, and the denominator of which is the aggregate number of workweeks worked by all Participating Class Members during the aforementioned time period.
 - B. Fifteen percent (15%) of the Net Settlement Amount shall be designated as the "Waiting Time Amount." The Waiting Time Amount shall be distributed in equal, pro-rata shares to each Participating Class Member who separated their employment from Defendant at any time between July 27, 2020, and the end of the Class Period.

- C. The remainder of the Net Settlement Amount will be distributed to each Participating Class Member based on their proportionate number of workweeks worked during the Class Period, by multiplying the remaining Net Settlement Amount by a fraction, the numerator of which is the Settlement Class member's total workweeks worked during the Class Period, and the denominator of which is the total number of workweeks worked by all Participating Class Members during the Class Period.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing the 25% share of PAGA Penalties (\$12,500.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
 3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until **<<RESPONSE DEADLINE>>** to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. **Section 9** of this Notice has the Administrator's contact information.

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

5. HOW WILL I GET PAID?

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

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

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

Submit a written and signed letter with your name, present address, telephone number, last four digits of your social security number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Steve Cordova, et al. v. Norman Industrial Materials, Inc.*, Los Angeles Superior Court Case No. 23STCV17785, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by <<RESPONSE DEADLINE>>, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendant are asking the Court to approve. At least 30 days before <<FINAL APPROVAL HEARING DATE>> (the Final Approval Hearing), Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Payments stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as a Class Representative Service Payments. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website

<<ADMIN URL FOR CASE>> or the Court's website

(<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. 23STCV17785.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Payments may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is <<RESPONSE DEADLINE>>.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action (*Steve Cordova, et al. v. Norman Industrial Materials, Inc.*, Los Angeles Superior Court Case No. 23STCV17785) and include your name, current address, telephone number, and approximate dates of employment for Defendant and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on <<FINAL APPROVAL HEARING DATE>> at <<FINAL APPROVAL HEARING TIME>> in Department 14 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before deciding. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://my.lacourt.org/laccwelcome>). Check the Court's website for the most current information.

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

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website <<ADMIN URL FOR CASE>>. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. 23STCV17785. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

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

Class Counsel:

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BOKHOUR LAW GROUP, P.C.

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FALAKASSA LAW, P.C.

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1901 Avenue of the Stars, Suite 450
Los Angeles, California 90067
Tel: (818) 456-6168; Fax: (888) 505-0868

Settlement Administrator:

Apex Class Action Administration

<<ADMIN INFO>>

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. **Please make sure you contact the Settlement Administrator before the void date otherwise your check will be voided and transmitted to California Controller's Unclaimed Property Fund in your name, so that you may recover the funds at a later date.**

11. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT 2



BOKHOUR
LAW GROUP

MEHRDAD BOKHOUR
Attorney at Law

1901 Avenue of the Stars | Suite 450
Los Angeles | California 90067

tel 310 975 1493
fax 310 675 0861

July 26, 2023

SUBMITTED VIA LWDA'S PAGA CLAIM NOTICE ONLINE PORTAL

COPY SENT VIA CERTIFIED MAIL TO:

NORMAN INDUSTRIAL MATERIALS, INC.
8300 SAN FERNANDO ROAD
SUN VALLEY CA 91352

INDUSTRIAL METAL SUPPLY CO.
8300 SAN FERNANDO ROAD
SUN VALLEY CA 91352

NORMAN INDUSTRIAL MATERIALS, INC.
c/o BARRY L. GOLDNER, ESQ.
10000 STOCKDALE HWY., SUITE 200
BAKERSFIELD, CA 93311

Re: Steve Cordova v Norman Industrial Materials, Inc., et al.
Notice of Intent to File Suit for California Labor Code § 2698 et seq. Penalties

To Whom It May Concern:

This office, along with Falakassa Law, P.C., represent Steve Cordova (hereinafter "Mr. Cordova") and a proposed group of current and former non-exempt employees working for Norman Industrial Materials, Inc. doing business as Industrial Metal Supply Co. (hereinafter the "Company") and any of their affiliated and/or predecessor or merged entities in the State of California for violations of the California Labor Code §§ 201-203, 204, 210, 221, 226(a), 226(e), 226.3, 256, 510, 512, 516, 1174, 1174.4, 1194, 1194.2, 1197.1, 1199, and all applicable Industrial Welfare Commission Wage Orders ("Wage Order").

This letter shall serve as notification under Labor Code § 2699.3 (hereinafter "PAGA Notice"). The \$75 filing fee made payable to the California Labor and Workforce Development Agency for the Private Attorneys General Act Notice ("PAGA Notice") was paid online and a copy of this PAGA Notice was submitted electronically to the Department of Industrial Relations.

Mr. Cordova wishes to bring a representative action on behalf of himself and the State of California as well as on behalf of the following group of "aggrieved employees":

All current and former non-exempt employees who work or worked for Norman Industrial Materials, Inc. and/or Industrial Metal Supply Co. in California, during the one year immediately preceding the filing of this PAGA Notice and continuing into the present and ongoing ("aggrieved employees")

Norman Industrial Materials, Inc. doing business as Industrial Metal Supply Co. (the “Company”) is a full line metal distributor serving the needs of metal users throughout Southern California. Mr. Cordova and other aggrieved employees were employed as non-exempt employees in the Company’s various facilities in San Diego, Los Angeles, Inland Empire and Orange County.

Specifically, Mr. Cordova worked for the company as a “machine saw operator” from in or around late 2021 until his separation of employment on or about April 27, 2023. Mr. Cordova and other aggrieved employees (including, but not limited to, machine operators, welders, general laborers, warehouse associates, technicians, forklift drivers, and all other non-exempt positions) were responsible for all aspects of the Company’s business operations in California.

First, from at least one year ago and continuing until the present, Plaintiff and other aggrieved employees were required to don Personal Protective Equipment (“PPE”) all before clocking in and starting their shifts. Likewise, aggrieved employees were required to remove PPE after clocking out at the end of their scheduled shifts. These mandated procedures occurred before employees clocked in and after clocking out and resulted in time aggrieved employees did not receive compensation while subject to the control of the Company. Despite being subject to the Company’s control while donning and doffing PPE, the Company did not provide any compensation for the time it took to complete these processes.

As a result, Mr. Cordova and other aggrieved employees were not fully compensated for all minimum and overtime wages as required by the California Labor Code and applicable Wage Orders. The Company has no valid defense to this claim given the California Supreme Court’s recent unanimous decision in *Frlekin v. Apple, Inc.* (2020) 8 Cal.5th 1038, which held that employees “must be paid” during security checks since “it is clear that [employees] are subject to [the employer’s] control while awaiting, and during, [the] exit searches.”

As a result, Mr. Cordova and other aggrieved employees were not properly paid for all hours worked, including overtime hours, in violation of Cal. Labor Code § 204, 210, 510, 1194, 1197.1, 1199, and applicable Wage Orders. Additionally, Mr. Cordova and other aggrieved employees were not properly paid at the correct overtime rate for hours worked in excess of eight hours per shift. Mr. Cordova and other aggrieved employees would be entitled to recover penalties under Labor Code §§ 210, 1199 and 2698 *et seq.*

Labor Code § 510 requires an employer to compensate an employee who works more than eight (8) hours in one workday, forty (40) hours in a workweek, and for the first eight (8) hours worked on the seventh consecutive day no less than one and one-half times the regular rate of pay for an employee. In addition, Labor Code § 510 obligates employers to compensate employees at no less than twice the regular rate of pay when an employee works more than twelve (12) hours in a day or more than eight (8) hours on the seventh consecutive day of work.

Pursuant to Section 3 of the applicable Wage Orders, employees shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the

employee receives one and one-half (1 1/2) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek. By their policy of requiring Mr. Cordova and the other non-exempt employees to work in excess of eight (8) hours in a workday and/or forty (40) hours in a workweek without compensating them at the rate of one-half (1 1/2) their regular rate of pay, the Company willfully violated the provisions of Labor Code §§ 510 and applicable Wage Orders.

The Company failed to compensate Mr. Cordova and other non-exempt employees for all overtime wages at the proper rates, due to time spent undergoing the Company's donning and doffing PPE prior to clocking in and after clocking out for their shifts. Accordingly, Mr. Cordova and other non-exempt employees are entitled to recover liquidated damages for violations of Labor Code § 1197.1. Mr. Cordova and other aggrieved employees would be entitled to recover penalties under Labor Code §§ 1197.1 and 2698 *et seq.*

Furthermore, at all relevant times, Mr. Cordova and other aggrieved employees were not properly paid at the correct overtime rate for all hours worked, in excess of eight hours per workday or 40 hours per workweek. When Mr. Cordova and the other aggrieved employees worked overtime hours, the Company failed to include all compensation, including but not limited to all non-discretionary bonus payments and other forms of remuneration, including shift differential and premiums when calculating the regular rate of pay used in overtime calculations.

Under the California Labor Code (as well as the FLSA), courts have held that regularly paid non-discretionary incentive pay/bonuses must be included in determining an employee's "regular rate of pay" for purposes of calculating overtime.

Labor Code § 510 requires an employer to compensate an employee who works more than eight (8) hours in one workday, forty (40) hours in a workweek, and for the first eight (8) hours worked on the seventh consecutive day no less than one and one-half times the regular rate of pay for an employee. In addition, Labor Code § 510 obligates employers to compensate employees at no less than twice the regular rate of pay when an employee works more than twelve (12) hours in a day or more than eight (8) hours on the seventh consecutive day of work.

Pursuant to Section 3 of the applicable Wage Orders, employees shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 1/2) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek. By their policy of requiring Mr. Cordova and the other non-exempt employees to work in excess of eight (8) hours in a workday and/or forty (40) hours in a workweek without compensating them at the rate of one-half (1 1/2) their regular rate of pay, the Company willfully violated the provisions of Labor Code § 510 and applicable Wage Orders.

As a result of the Company's failure to include all forms of compensation in calculating the regular rate as set forth above, the Company failed to compensate Mr. Cordova and other non-exempt employees for all overtime wages at the proper rates. Accordingly, Mr. Cordova and other non-exempt employees are entitled to recover liquidated damages for violations of Labor Code §

1197.1. Mr. Cordova and other aggrieved employees would be entitled to recover penalties under Labor Code §§ 1197.1 and/or 2698 *et seq.*

Moreover, at all relevant times, the Company failed in its obligation to provide Mr. Cordova and other aggrieved employees all legally required paid sick days at the legal “regular rate of pay” pursuant to Labor Code §§ 246(a),(b).

Pursuant to Labor Code § 246(a),(b), “[a]n employee who, on or after July 1, 2015, works in California for the same employer for 30 or more days within a year from the commencement of employment is entitled to paid sick days. . . at the rate of not less than one hour per every 30 hours worked, beginning at the commencement of employment.”

Additionally, Labor Code § 246(l)(1) provides that paid sick time for non-exempt employees must be “calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek.”

Furthermore, Labor Code § 246(l)(2) states that the paid sick time must be “calculated by dividing the employee’s total wages, not including overtime premium pay, by the employee’s total hours worked in the full pay periods of the prior 90 days of employment.”

Finally, Labor Code § 246(i) requires employers to “provide an employee with written notice that sets forth the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, for use on either the employee’s itemized wage statement described in Section 226 or in a separate writing provided on the designated pay date with the employee’s payment of wages.”

Here, at all relevant times, the Company failed in its obligation to provide Mr. Cordova and other aggrieved employees the legally required paid sick days at the “regular rate of pay” pursuant to Labor Code §§ 246(a),(b). Instead, the Company paid sick time at the aggrieved employees’ base rate of pay, rather than the “regular rate of pay” as required by Labor Code §§ 246(l)(1-2).

Based on the foregoing Labor Code violations, Mr. Cordova seeks all civil penalties on behalf of himself and all other aggrieved employees available under Labor Code § 2698 *et seq.*

Accordingly, through PAGA and to the extent permitted by law, Mr. Cordova and other aggrieved employees are entitled to recover penalties for violations of Labor Code § 246 under Labor Code § 2698 *et seq.*

Moreover, at all relevant times, Mr. Cordova and other aggrieved employees were denied compliant and timely 30-minute off-duty meal periods as mandated by California law.

First, as a result of the Company's uniform meal policies and practices and operational requirements, Mr. Cordova and other aggrieved employees were often unable to take uninterrupted first meal periods before the end of the fifth hour of work.

Further, Mr. Cordova and other aggrieved employees would often have their meal periods cut short or interrupted due to operational requirements. Considering the demands of the job, Mr. Cordova and other aggrieved employees would also have their meal periods delayed beyond the fifth hour of work.

Moreover, when Mr. Cordova and other aggrieved employees worked in excess of 10.0 hours in a shift, which was a regular occurrence, they were not allowed and permitted to take all mandated and timely second meal period before the end of the tenth hour of work in violation of the Labor Code and applicable Wage Orders.

Each time Mr. Cordova and other aggrieved employees were not provided a legally complaint meal period, the Company also failed to provide meal period premiums for missed or non-compliant meal periods at the "regular rate of pay" in accordance with Labor Code § 226.7.

Accordingly, due to the Company's uniform policies and/or policies and practices as described herein, Mr. Cordova and other aggrieved employees were regularly denied legally compliant meal periods in violation of Labor Code §§ 226.7, 510, 516, and applicable IWC Wage Orders, and would be entitled to penalties under Labor Code § 2698 *et seq.*

Furthermore, at all relevant times, Mr. Cordova and other aggrieved employees were also not provided with 10 minutes of net rest period time for every 4 hours worked, or major fraction thereof due to the Company's rest period policies/practices and operational requirements, that often-prevented rest breaks or interrupted rest breaks of aggrieved employees. As a result, Mr. Cordova and other aggrieved employees were and are routinely unable to take uninterrupted net (10) minute duty-free rest periods for every major fraction of four hours worked. This includes a second rest period for shifts in excess of six hours, and a third rest period for shifts in excess of 10 hours in a workday.

Each time Mr. Cordova and other aggrieved employees were unable to take compliant rest periods, the Company failed and continues to fail to adequately pay rest period premium payments at the "regular rate of pay" as required by Labor Code § 226.7.

Accordingly, due to the Company's uniform policies and practices and work demands, Mr. Cordova and other aggrieved employees were also regularly denied legally compliant rest breaks in violation of Labor Code §§ 226.7, 512, and applicable Wage Orders, and would be entitled to penalties under Labor Code § 2698 *et seq.*

As a result of the Company's failure to pay Mr. Cordova and other aggrieved employees for all hours they were subject to the control of the Company, including all minimum and overtime

wages, and failure to adequately pay for meal and rest period premiums at the “regular rate of pay,” the Company issued wage statements which failed to accurately identify the gross wages earned, the total hours worked, the net wages earned, and the correct corresponding number of hours worked at each hourly rate, in violation of Labor Code § 226(a)(1, 2, 5, and 9).

Labor Code § 226.3 provides that “[a]ny employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial violation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage deduction statement or fails to keep the required in subdivision (a) of Section 226.”

Thus, for the violations of Labor Code section 226 described above, Mr. Cordova and other aggrieved employees may also recover Labor Code § 226.3 penalties for the Company’s violations of Labor Code § 226(a). As such, the wage statements the Company issued to Mr. Cordova and other aggrieved employees are in violation of Labor Code § 226 (a).

Thus, Mr. Cordova is an aggrieved employee within the meaning of PAGA and the Company has violated Labor Code §226(a)(9) with respect to Mr. Cordova and other aggrieved employees. Consequently, because the Company failed to comply with Labor Code § 226(a) and applicable Wage Orders, Mr. Cordova and other aggrieved employees would be entitled to recover penalties under Labor Code §§ 226(e) and 2698 *et seq.*

Finally, because of, the Company’s failure to pay all minimum and overtime wages, and meal and rest period premiums at the “regular rate of pay,” the Company also failed and continues to fail to pay Mr. Cordova and other aggrieved employees all wages owed at their time of separation from employment in violation of Labor Code §§ 201-203 and applicable Wage Orders. Thus, aggrieved employees would be entitled to recover penalties under Labor Code §§ 201-203, and 2698 *et seq.*

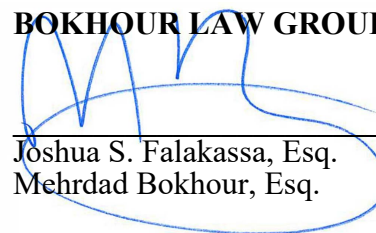
Pursuant to Labor Code § 2699.3(a)(2)(A), please advise within sixty-five (65) calendar days of the date of this notice whether your office intends to investigate the violations alleged herein above. We understand that if we do not receive a response from your office within sixty-five (65) calendar days of this PAGA Notice, Mr. Cordova may thereafter pursue his interests and the interests of similarly aggrieved employees with a civil complaint against the Company for its violations of the California Labor Code and applicable Wage Orders.

While it is our intent to pursue a PAGA representative and/or Class Action lawsuit for unpaid wages and civil penalties under Labor Code § 2699, it is our firms’ policy to attempt to negotiate an early resolution of all matters where possible and beneficial to all aggrieved employees. If the Company is interested in attempting to resolve this matter, please contact me or have your lawyer contact our office so that we can discuss an informal discovery plan and the possibility of early mediation on or before August 25, 2023.

California Labor and Workforce Development Agency
July 26, 2023
Page 7

Respectfully submitted,

FALAKASSA LAW, P.C.
BOKHOUR LAW GROUP, P.C.



Joshua S. Falakassa, Esq.
Mehrdad Bokhour, Esq.

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

August 14, 2023

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: *Huyen Phuong Le v. Norman Industrial Materials, Inc., et al.*

To Whom It May Concern:

Please be advised that this law firm represents Huyen Phuong Le (“Ms. Le”) in claims arising from her employment with Norman Industrial Materials, Inc. dba Industrial Metal Supply and Does 1 through 100 (“Defendants”). Ms. Le is an “aggrieved employee” within the meaning of Labor Code section 2699.3 as to all of the violations alleged herein. *See Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal.App.5th 745, 754 (“any Labor Code penalties recoverable by state authorities may be recovered in a PAGA action by a person who was employed by the alleged violator and affected by at least *one* of the violations alleged in the complaint.”) (emphasis added). The purpose of this letter is to comply with Labor Code § 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, “aggrieved employees” includes all of Defendants’ employees who worked for Defendants in California during the one year immediately preceding the date of this letter through the present.

Defendants are a metal service supplier with store locations throughout California. Ms. Le was employed at Defendants’ headquarters in Sun Valley, California. Ms. Le was employed by Defendants as a non-exempt “Senior Credit Representative” from approximately March 2020 until approximately July 2023. Ms. Le’s primary job duties included analyzing and establishing lines of credit for customers, approving client orders, and collecting customer payments. Ms. Le was subject to a hybrid work schedule, and eventually worked a weekly schedule consisting of 1 day from Defendants’ office in Sun Valley, California and 4 days remotely from her home.

During Ms. Le’s employment with Defendants, Defendants failed to compensate Ms. Le and other aggrieved employees for all hours actually worked, resulting in unpaid minimum wages and additional unpaid overtime wages. Specifically, Ms. Le was required to clock-in to her shift using a “Paycor” system on her work computer. Ms. Le’s work computer took approximately 2-5 minutes to boot up. Defendants did not compensate Ms. Le and other aggrieved employees for the time she was required to boot up her work

computer. Since Ms. Le's computer was necessary to perform her job duties, Defendants were required to compensate Ms. Le for the time she spent booting up her computer. *See Cadena v. Customer Connexx LLC*, 51 F.4th 831, 840 (9th Cir. 2022) (holding time spent booting up computers at the beginning of a shift is compensable where a functional computer is "integral and indispensable" to an employee's job duties). Further, Ms. Le routinely worked in excess of 8 hours per workday and/or more than 40 hours per workweek but did not receive overtime compensation equal to one and one-half times her regular rate of pay for working overtime hours. Specifically, Ms. Le and other aggrieved employees earned non-discretionary bonuses (denoted on paystubs as "Earn," "Bonus RegN," "Hol Bonus," "COVID Supp," and "SignBonus"), and other forms of pay that cannot be excluded from the regular rate of pay as a matter of law (hereinafter "Incentive Pay"). As a result of paying M. Le and other aggrieved employees Incentive Pay, Defendants failed to properly calculate the regular rate of pay, resulting in unpaid overtime wages. Moreover, Defendants failed to compensate Ms. Le and other aggrieved employees during the time they worked through their meal periods. Due to their work demands, Ms. Le and other aggrieved employees were frequently not permitted to take timely meal periods, which were frequently less than 30 minutes long. Specifically, Defendants frequently interrupted Ms. Le during her meal periods with work-related calls and video meetings. As a result, Defendants required Ms. Le and other aggrieved employees to perform work while off-the-clock, and Defendants failed to compensate Ms. Le and other aggrieved employees for all minimum and overtime wages owed.

Defendants also failed to provide Ms. Le and other aggrieved employees with all legally-compliant meal periods due to Defendants' unlawful meal period policies/practices that failed to provide timely, uninterrupted, duty-free 30-minute meal periods before the fifth hour of work or *any* second meal periods when they worked shifts over 10.0 hours. As stated above, due to Ms. Le's work demands, she was frequently unable to take 30-minute meal periods before the end of the fifth hour of work. Further, Ms. Le's meal periods were frequently interrupted by work-related calls and video meetings initiated by Defendants' supervisors and calls from clients. Further, Defendants frequently failed to compensate Ms. Le and other aggrieved employees with meal periods premiums for each workday in which a meal period violation occurred, as required by Labor Code § 226.7. When Defendants paid meal period premium payments (denoted on paystubs as "MealBrkPen"), they paid meal periods premiums at Ms. Le's base hourly rate of pay, rather than at Ms. Le's regular rate of pay after factoring in Incentive Pay. As a result, Ms. Le and other aggrieved employees did not receive an additional hour of premium pay at their respective regular rates of pay for each workday in which a meal period violation occurred, as required by Labor Code § 226.7.

Further, Defendants regularly failed to authorize and permit Ms. Le and other aggrieved employees to take any duty-free 10-minute rest periods for every four hours worked, or major fraction thereof, due to Defendants' unlawful rest period policies/practices. In the event Ms. Le and other aggrieved employees were able to take their rest periods, Defendants failed to authorize and permit rest periods for a "net" of 10 minutes. Under California law, Defendants are required to authorize and permit a "net"

rest period of 10-minutes that begins when the employee reaches a rest area away from his or her workstation and must be uninterrupted during the duration of the rest period. See e.g., Division of Labor Standards Enforcement Manual (“DLSE Manual”) §45.3.3; *Vaquero v. Stoneledge Furniture LLC*, (2017) 9 Cal.App.5th 98, 111-112 (citing DLSE Manual § 45.3.3 for the proposition that “the rest period begins when the employee reaches an area away from the workstation that is appropriate for rest”); *Augustus v. ABM Security Services, Inc.*, (2016) 2 Cal.5th 257, 260 (“[D]uring required rest periods, employers must relieve their employees of all duties and relinquish any control over how employees spend their break time”). Defendants’ failure to authorize and permit “net” rest periods of 10 minutes is evidenced in their employee handbook: “The break starts when the associate leaves their workstation or work area. Associates must be prepared to resume work promptly at the end of their rest period.” As such, Defendants maintained a facially unlawful rest period policy/practice by mandating that its employees’ 10-minute rest periods begin the moment they leave their workstation, and requiring its employees return to their workstation before the end of their rest period, thereby shortening their purported rest periods. Moreover, Defendants also required Ms. Le and other aggrieved employees to remain on Defendants’ premises during rest periods and as a result failed to relinquish all control over how Ms. Le and other aggrieved employees spent their break time, in violation of *Augustus*. For example, Defendants’ employee handbook states: “Associates are required to remain on the work premises during their rest break(s).” As a result, Defendants have failed to compensate Ms. Le with the required rest period premium for each workday in which she experienced a rest period violation as mandated by Labor Code § 226.7.

Defendants required Ms. Le and other aggrieved employees to use their cellular phone to communicate with supervisors for work-related purposes but did not reimburse Ms. Le and other aggrieved employees for a reasonable portion of their monthly cellular phone bills. Even though Defendants’ provided Ms. Le with a home office line for work related calls, Defendants frequently communicated with Ms. Le through her cellular phone. Despite requiring Ms. Le and other aggrieved employees to utilize their personal cellular phones for work purposes, Defendants failed to reimburse these aggrieved employees for all necessary business expenses associated with using their personal cellular phones, in violation of Labor Code § 2802.

Defendants also failed to pay Ms. Le and other aggrieved employees all sick pay wages owed to them. Defendants’ policies and practices dictated that sick pay payments be made at an employee’s base rate of pay, as opposed to their regular rate of pay. Because Ms. Le and other aggrieved employees received Incentive Pay that was required to be included in their regular rate of pay, but were not, Ms. Le and other aggrieved employees have not been paid all sick pay wages owed to them.

As a result of Defendants’ failure to pay all overtime wages, minimum wages, sick pay wages, and meal and rest period premium wages owed, Defendants also maintained inaccurate payroll records and issued inaccurate wage statements to Ms. Le and other

aggrieved employees and failed to pay all final wages owed to Ms. Le and other aggrieved employees upon their respective separations from employment.

As described above, Defendants committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 1 (“Wage Order 1”):

Overtime Wage Violations

Defendants were required to properly pay Ms. Le and members of the Overtime Class for all overtime hours worked pursuant to California Labor Code § 1194 and Wage Order 1. Wage Order 1, § 3 requires an employer to pay an employee “one and one-half (1½) times the employee’s regular rate of pay for all hours worked in excess of eight (8) hours” per work day and/or in excess of 40 hours of work in the workweek. Defendants caused Ms. Le and other aggrieved employees to work overtime hours but did not compensate Ms. Le or other aggrieved employees at one and one-half times their regular rate of pay for all such hours.

Minimum Wage Violations

Wage Order 1, § 4 and California Labor Code §§ 1197 and 1182.12 establish the right of employees to be paid minimum wages for all hours worked, in amounts set by state law. Labor Code §§ 1194(a) and 1194.2(a) provide that an employee who has not been paid the legal minimum wage as required by Labor Code § 1197 may recover the unpaid balance together with attorneys’ fees and costs of suit, as well as liquidated damages in an amount equal to the unpaid wages and interest accrued thereon. Defendants failed to conform their pay practices to the requirements of the law by failing to pay Ms. Le and members of the Minimum Wage Class for all hours worked including, but not limited to, all hours they were subject to the control of Defendants and/or suffered or permitted to work under the California Labor Code and Wage Order 1.

Meal Period Violations

As alleged above, Defendants failed to provide Ms. Le and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 1, § 11. As a result, Ms. Le and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest or recovery period is not provided.”).

Rest Period Violations

As described above, Defendants also failed to authorize and permit Ms. Le and other aggrieved employees to take all required and compliant rest periods. See Labor Code §§ 226.7 and 516; Wage Order 1, § 12. As a result, Ms. Le and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that all rest periods were not authorized and permitted. See Labor Code § 226.7.

Failure to Reimburse Necessary Business Expenses

Defendants failed to indemnify Ms. Le and the members of the Reimbursement Class for all necessary business expenses incurred, including, among other things, personal cellular phone usage. As a proximate result of Defendants' policies and/or practices in violation of Labor Code §§ 2802 and 2804, Ms. Le and members of the Reimbursement Class are entitled to damages, attorneys' fees and costs of suit, and interest thereon, in sums to be shown according to proof at trial, pursuant to Labor Code §2802.

Sick Time Pay Violations

Defendants were required to properly pay Ms. Le and other aggrieved employees for all vested sick time at their regular rate of compensation pursuant to Labor Code § 246. Defendants compensated Ms. Le and other aggrieved employees at their base rate of pay but did not compensate Ms. Le or other aggrieved employees at their regular rate of pay for all such hours.

Wage Statement Violations

Defendants knowingly and intentionally, as a matter of uniform policy and practice, failed to furnish Ms. Le and other aggrieved employees with complete and accurate wage statements with respect to gross wages earned, total hours worked, net wages earned, all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee, in violation of Labor Code § 226 *et seq.* Defendants' failures in furnishing Ms. Le and other aggrieved employees with complete and accurate itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all overtime and minimum wages as well as meal and rest period premium wages and deprived them of the information necessary to identify the discrepancies in Defendants' reported data and whether they have been paid all wages earned.

Waiting Time Penalties

Labor Code §§ 201-203 require an employer to pay all wages earned immediately at the time of separation of employment in the event the employer discharges the employee, or if the employee provides at least 72 hours of notice of his/her intent to quit. In the event the employee provides less than 72 hours of his/her intent to quit, said employee's wages

become due and payable no later than 72 hours upon said employee's last date of employment. Defendants failed to timely pay Ms. Le and other aggrieved employees all final wages due to them at the time of their separation, which includes, among other things, overtime and minimum wages, meal and rest period premium wages, and underpaid sick pay wages. Further, as a matter of uniform policy and practice, Defendants continue to fail to pay aggrieved employees all earned wages at the end of employment in a timely manner pursuant to Labor Code §§ 201-203. Defendants' failure to pay all final wages was willful within the meaning of Labor Code § 203. Defendants' willful failure to timely pay Ms. Le and other aggrieved employees their earned wages upon separation from employment, results in a continued payment of wages up to thirty (30) days from the time the wages were due.

As an "aggrieved employee", Ms. Le will initiate a civil action on behalf of herself and other aggrieved employees to recover damages, statutory penalties, and civil penalties (including an amount equal to the unpaid wages) resulting from the wage and hour violations alleged herein. Based on Ms. Le's own investigation, and on information and belief, Defendants committed and continue to commit the following Labor Code violations:

- a. Defendants violated Labor Code §§ 204, 510, 558, 1194 and 1198 by failing to pay Ms. Le and other aggrieved employees all overtime compensation earned;
- b. Defendants violated Labor Code §§ 1182.12, 1194, 1194.2, and 1197 by failing to pay Ms. Le and other aggrieved employees the statutory minimum wage for all hours worked;
- c. Defendants violated Labor Code §§ 226.7, 512, and 558, by failing to provide meal periods as required by law and failing to pay meal period premiums to Ms. Le and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;
- d. Defendants violated Labor Code §§ 226.7, 516, and 558 by failing to authorize and permit Ms. Le and other aggrieved employees to take all lawful rest periods to which they are entitled, and failing to pay rest period premiums to Ms. Le and other aggrieved employees at these employees' respective regular rates of compensation for rest period violations;
- e. Defendants violated Labor Code §§ 2802 and 2804 by failing to reimburse Ms. Le and other aggrieved employees for all work-related expenses incurred;
- f. Defendants violated Labor Code § 226 by failing to furnish Ms. Le and other aggrieved employees with accurate and compliant itemized wage statements;
- g. Defendants violated Labor Code § 246 by failing to pay Ms. Le and other aggrieved employees sick time pay at their regular rate of compensation;

- h. Defendants violated Labor Code §§ 201-203 by failing to timely pay all final wages due to Ms. Le and other aggrieved employees;
- i. Defendants violated Labor Code §§ 558 and 1174 by failing to maintain accurate records on behalf of Ms. Le and aggrieved employees; and
- j. Defendants violated Labor Code § 204 by failing to pay Ms. Le and other aggrieved employees all wages earned at least twice during each calendar month.

Pursuant to Labor Code § 2699.3, please notify us and Defendants if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC



Fletcher W. Schmidt

cc: Norman Industrial Materials, Inc., Barry L. Goldner Esq., 10000 Stockdale Hwy., Ste. 200, Bakersfield, CA 93311, agent for service of process (via certified mail)

EXHIBIT 3