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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

ALFONSO ALMARAZ, as an individual and on
behalf of all others similarly situated,

Plaintiff,

vs.

WORLD OIL CORP., a California Corporation;
and DOES 1 through 100,

Defendants.

Case No.: 23STCV18296

*[Assigned for all purposes to the Hon. David S.
Cunningham III, Dept. SS-11]*

**DECLARATION OF ANDREW J.
ROWBOTHAM IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: January 17, 2025

Time: 9:00 a.m.

Dept.: SS-11

Action Filed: August 2, 2023

Trial Date: None Set

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I, Andrew J. Rowbotham, declare as follows:

1. I am a Partner at the Haines Law Group, APC, and counsel for the named Plaintiff Alfonso Almaraz (“Plaintiff”) 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 am a 2014 graduate of Pepperdine University School of Law and was admitted to the California State Bar in December 2014. Since that time, I have practiced exclusively in the area of plaintiff's employment litigation. From October 2014 to May 2015, I worked as an associate at the Mesriani Law Group, an employment law firm in Santa Monica, California. The vast majority of my work focused on representing employees in wage and hour and wrongful termination actions. Although non-exhaustive, the type of work I performed included: conducting client intakes; performing pre-filing research and analysis; drafting complaints and letters to the Labor & Workforce Development Agency; attending court hearings; corresponding with opposing counsel; drafting and responding to written discovery; analyzing payroll and timekeeping records and employee handbooks; drafting complaints and mediation briefs; attending mediations; and drafting long-form settlement agreements.

3. Since April 2016, I have worked at my current firm, Haines Law Group, APC. I am currently involved with approximately fifty (50) active wage and hour class actions, including a number of “hybrid” actions asserting nationwide wage and hour claims under the Fair Labor Standards Act, as well as California-specific claims under Rule 23 of the Federal Rules of Civil Procedure.

4. The following is a non-exhaustive list of wage and hour class action settlements in which I have been named as Class Counsel and awarded attorney's fees following a lodestar cross-check including my applicable hourly rates as approved by the courts:

- *Garcia, et al. v. Simplified Labor Staffing Solutions, Inc.*, Case No. BC696898, Los Angeles County Superior Court, Honorable Elihu M. Berle, presiding (approving an hourly rate of \$400 for work performed in 2018 and 2019);
- *Delgado v. Spears Manufacturing Co.*, Case No. BC709665, Los Angeles County Superior Court, Honorable Maren E. Nelson, presiding (approving an hourly rate of \$425 for work performed in 2018, 2019, and 2020);
- *Soto v. L I Metal Systems*, Case No. 37-2017-00009607-CU-OE-CTL, San Diego County Superior Court, Honorable Timothy Taylor, presiding (approving an hourly rate of \$425 for work performed from 2017-2020); and
- *Fishback v. Paragon Framing, Inc.*, Case No. CIVDS1906610, San Bernardino County Superior Court, Honorable David Cohn, presiding (approving an hourly rate of \$425 for work performed in 2019 and 2020).
- *Fishback v. J.D. Miller Construction Inc.*, Case No. CIVDS1906611, San Bernardino County Superior Court, Honorable David Cohn, presiding (approving an hourly rate of \$425 for work performed from 2019-2021).
- *Teeba v. Brill, Inc.*, Case No. CIVDS1923242, San Bernardino County Superior Court, Honorable David Cohn, presiding (approving an hourly rate of \$425 for work performed from 2019-2021).
- *Gonzalez v. Precision Hospitality & Development, LLC*, Case No. 30-2020-01127597-CU-OE-CXC, Orange County Superior Court, Honorable Randall J. Sherman, presiding (approving an hourly rate of \$450 for work performed in 2020 and 2021).
- *Vides v. Celoseal Roofing, Inc.*, Case No. 30-2020-01162478-CU-OE-CXC, Orange County Superior Court, Honorable Randall J. Sherman, presiding (approving an hourly rate of \$475 for work performed from 2020-2022).
- *Qawas v. Socal Framing, Inc.*, Case No. RIC1902588, Riverside County Superior Court, Honorable Sunshine S. Sykes, presiding (approving an hourly rate of \$475 for work performed from 2019-2022).

- *Nelson v. Santini Foods, Inc.*, Case No. RG21090890, Alameda County Superior Court, Honorable Evelio Grillo, presiding (approving an hourly rate of \$475 for work performed in 2021 and 2022).
- *Zuniga v. Sonar Inc.*, Case No. 30-2019-01117310-CU-OE-CXC, Orange County Superior Court, Honorable Peter Wilson, presiding (approving an hourly rate of \$575 for work performed from 2019-2023).
- *Gonzalez v. Guardian Industries LLC*, Case No. 19CECG02134, Fresno County Superior Court, Honorable Jonathan M. Skiles, presiding (approving an hourly rate of \$575 for work performed from 2019-2023).
- *Sanchez v. Dutton Home Services, LLC*, Case No. 22STCV01834, Los Angeles County Superior Court, Honorable Maren E. Nelson, presiding (approving an hourly rate of \$575 for work performed from 2022-2023).
- *Ramirez v. Wyndham Vacation Ownership, Inc.*, Case No. 20CV01715, Santa Barbara County Superior Court, Honorable James F. Rigali, presiding (approving an hourly rate of \$650 for work performed from 2020-2024).

5. I have also been named as Class Counsel for the certified class following a contested class certification motion in the following case:

- *Staublein v. Wells Fargo Bank, National Association*, Case No. CIVDS1712267, San Bernardino Superior Court, Honorable David Cohn presiding (certifying a wage statement class).

6. In March 2023, I served as trial counsel for the plaintiff and the aggrieved employees in the matter of *Abraham Taduran v. James R. Glidewell, Dental Ceramics, Inc. dba Glidewell Laboratories*, Case No. 30-2017-00934037-CU-OE-CXC, Orange County Superior Court, Honorable William Claster presiding, which was a case brought under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.*, that resulted in a six-figure verdict in favor of the aggrieved employees.

7. In addition to the above cases, I also play a lead role in many of my firm's current wage and hour class actions. The scope of my involvement includes but is not limited to:

1 corresponding with opposing counsel; attending court hearings; drafting and responding to
2 written discovery; taking and defending depositions; negotiating and drafting long-form
3 settlement agreements; attending mediations; and drafting motions for preliminary and final
4 approval.

5 8. Between 2020 and 2025, Thomson Reuters recognized me as a Top Young
6 Attorney in Southern California in the annual Rising Stars Edition of Super Lawyer. This is an
7 honor awarded to no more than two-and-a-half percent (2.5%) of attorneys under the age of forty
8 in Southern California each year.

9 9. As counsel for Plaintiff, I have been closely involved in all aspects of this litigation
10 since its inception and believe that the proposed Stipulation of Settlement (“Settlement
11 Agreement” or “Settlement”) is a fair and reasonable result for the participating Settlement Class
12 members. Attached hereto as **Exhibit A** is a true and correct copy of the Parties’ Settlement
13 Agreement. Attached hereto as **Exhibit B** is a true and correct copy of the Notice of Class Action
14 and PAGA Settlement (“Class Notice”).

15 10. Defendant Pan Pacific Petroleum Company, Inc. (“Defendant”) is a commercial
16 petroleum transportation provider, specializing in the transportation of asphalts, oils, gasoline,
17 and diesel throughout California. Like all Settlement Class members, Plaintiff was employed by
18 Defendant as a non-exempt employee during the Class Period and was subject to Defendant’s
19 allegedly unlawful wage and hour policies and practices.

20 11. On August 2, 2023, Plaintiff Almaraz initiated the instant action, alleging
21 Defendant failed to: (i) reimburse necessary business expenses; (ii) issue accurate itemized wage
22 statements; and (iii) comply with California’s Unfair Competition laws. On October 17, 2023,
23 Plaintiff Almaraz filed a First Amended Complaint (“FAC”), adding a fourth cause of action for
24 civil penalties under the Private Attorneys General Act, Labor Code § 2698, *et seq.* (PAGA),
25 based on the same underlying Labor Code violations. On October 23, 2023, following receipt of
26 a signed arbitration agreement with a class action waiver from Defendant, Plaintiff initiated an
27 individual demand for arbitration with JAMS based on the factual allegations in this matter. On
28 November 16, 2023, the Court dismissed Plaintiff’s individual claims along with the claims of

1 the putative class members from this matter without prejudice. The Court further stayed the
2 remaining PAGA claims here pending the outcome of Plaintiff's individual arbitration. Attached
3 hereto as **Exhibit C** are true and correct copies of Plaintiff Almaraz's August 2, 2023 PAGA
4 Notice letter and the LWDA's confirmation of receipt. Attached hereto as **Exhibit D** are true and
5 correct copies of Plaintiff Almaraz's August 11, 2023 Supplemental PAGA Notice letter and the
6 LWDA's confirmation of receipt.

7 12. On February 23, 2024, the Parties participated in an all-day mediation presided
8 over by Hon. Daniel Buckley (Ret.). The Parties continued negotiations in the ensuing weeks with
9 the mediator's assistance and ultimately reached an agreement to tentatively resolve all claims at
10 issue on a class and PAGA representative basis.

11 13. As a material term of the Settlement, the Parties agreed to stipulate to the filing of
12 the Second Amended Complaint ("SAC") to reallege the class claims dismissed without prejudice
13 on November 16, 2023. The Court granted the Parties stipulation and Plaintiff filed the operative
14 SAC on September 24, 2024.

15 14. Plaintiff alleges that Defendant failed to issue accurate, itemized wage statements
16 that included the number of piece-rate units earned and any applicable piece rate. Specifically,
17 Plaintiff alleges that Defendant issued wage statements which only listed a cumulative total and
18 weekly breakdown of piece-rate wages earned in the prior month. Defendant maintains that its
19 wage statement policies/practices comply with California law as the wage statements provide
20 sufficient detail to comply with the requirements in Labor Code § 226(a)(3). Defendant also
21 maintains that its provision of a piece-rate statement accompanying each wage statement fits
22 within the meaning of a "detachable part of the check" as to satisfy the requirements of Labor
23 Code § 226(a)(3). Defendant also maintains that Plaintiff will be unable to certify this claim (and
24 any other claim) as he (along with all other putative class members) signed a valid arbitration
25 agreement with a class action waiver which, absent settlement, would require he pursue any
26 claims on an individual basis in private arbitration.

27 15. Plaintiff further alleges that, although Defendant provided Plaintiff with a business
28 cell phone when he was hired, Plaintiff's supervisor's and dispatchers regularly contacted him

1 through his personal cell phone throughout his employment. Plaintiff further alleges that despite
2 requiring Plaintiff to use his personal cell phone for business purposes, Defendant failed to
3 reimburse him for this necessary expense. Defendant maintains that it had no knowledge that
4 Plaintiff was using his personal cell phone for business purposes as Plaintiff never reported this
5 expense to Defendant for reimbursement. Defendant further maintains that even if Plaintiff chose
6 to use his personal cell phone due to personal preference or convenience, his expenses associated
7 with such use are not reimbursable under Section 2802 because they were not reasonable or
8 necessary, given that Defendant provided a business cell phone to Plaintiff upon his hire. Further,
9 Defendant maintains that its written policy explicitly prohibits, with limited exception, employees
10 from using their personal cell phone/devices for work-related purposes. Lastly, Defendant
11 maintains that this claim is not suited for class certification, as the use of personal cell phone is a
12 fact intensive inquiry, and individual issues would predominate in determining which, if any,
13 individual supervisors contacted employees and disseminated necessary work-related information
14 to the employees' personal cell phones and which employees, if any, chose to not use the cell
15 phones provided by Defendant, resulting in an unmanageable series of mini-trials.

16 16. As a result of Defendant's alleged failure to issue accurate, itemized wage
17 statements and reimburse employees for all necessary business expenditures, Plaintiff also seeks
18 PAGA civil penalties on behalf of all aggrieved employees. Defendant argues that Plaintiff's
19 underlying claims will fail and, as a result, the derivative PAGA claim will also fail. Moreover,
20 Defendant maintains that this Court would exercise its discretion to substantially reduce any
21 PAGA penalties awarded.

22 17. The Parties engaged in informal discovery prior to attending mediation. Defendant
23 provided Plaintiff with payroll records, data points regarding the Aggrieved Employees, and all
24 applicable policy documents and employee handbooks in effect. On February 23, 2024, the Parties
25 participated in a mediation session before Hon. Daniel Buckley (Ret.) during which the Parties
26 exchanged divergent views on Defendant's liability and exposure valuations, their legal positions,
27 and the likelihood of certification of Plaintiff's claims. Although the Parties adjourned mediation
28 without reaching a settlement, they continued their settlement negotiations with the help of Judge

1 Buckley. After additional weeks of continued negotiations, the Parties ultimately reached an
2 agreement to tentatively resolve all claims at issue on a class and representative basis.

3 18. According to Defendant's records, there are approximately 79 putative Settlement
4 Class members. Based on the estimated NSA, average Individual Class Payments are projected
5 to be approximately \$1,051.27.

6 19. At the time of seeking final settlement approval, my firm will apply for an
7 attorneys' fee award of up to one third of the MSA (currently estimated at \$80,000.00), and up to
8 \$20,000.00 in reimbursement for actual litigation costs. Plaintiff submits that the requested fee is
9 fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a
10 purely contingent fee basis. My firm has incurred substantial attorneys' fees conducting pre-filing
11 investigation, analyzing Plaintiff's claims, conducting legal research and analysis, reviewing
12 documents and data produced by Defendant to build a comprehensive damages model, preparing
13 for and attending mediation, negotiating and drafting the Memorandum of Understanding, long-
14 form Settlement Agreement, and Notice Packet documents, preparing this motion for preliminary
15 approval, and otherwise litigating the case. My firm will also expend future attorney time
16 attending the hearing on this Motion, overseeing the Notice process, drafting the Final Approval
17 Motion and supporting documents, attending the Final Approval hearing, and completing other
18 tasks, such as fielding questions from Settlement Class members.

19 20. My firm carefully vetted the claims at issue, reviewed Settlement Class members'
20 payroll data spanning the relevant time period, reviewed all relevant policy documents, and
21 created a comprehensive damages model for Defendant' liability.

22 21. The Parties engaged only in informal discovery and information exchange prior to
23 mediation. Absent settlement, the Parties will be required to expend substantial time and resources
24 conducting additional formal written and deposition discovery. Moreover, Plaintiff has not yet
25 filed for class certification (which as discussed above was tenuous at best given the state of
26 arbitration agreements executed by Plaintiff and the putative class), and thus, absent settlement,
27 the Parties would face the prospect of appeals in the wake of a disputed class certification ruling
28 and/or an adverse summary judgment ruling. Even if Plaintiff succeeded in avoiding enforcement

1 of his arbitration agreement with Defendant and certifying one or more classes, the Parties would
2 incur considerably more attorneys' fees and costs through a possible decertification motion, trial,
3 and possible appeal. This Settlement avoids these considerable costs, risks, and the accompanying
4 burden of continued litigation on the Court. Thus, this factor supports preliminary approval.

5 22. At the time of the proposed Settlement, Plaintiff had not filed his motion for class
6 certification. Should the Court certify any claims, Plaintiff anticipates that Defendant will seek
7 decertification. Given the small size of the putative class (less than 100), Plaintiff perceived a
8 legitimate risk that Defendant might engage in a *Pick-up-Stix* campaign that could further impact
9 Plaintiff's ability to meet the numerosity required to proceed as a class action. Therefore, absent
10 the Settlement, and discounting the fact that the putative class members signed arbitration
11 agreements with class action waivers, there was an additional serious risk that Plaintiff would be
12 unable to move forward on a class-wide basis. Thus, this factor supports preliminary approval.

13 23. Plaintiff's data analysis determined that 79 Settlement Class members received an
14 aggregate 2,475 wage statements which allegedly did not comply with Labor Code § 226(a).
15 Plaintiff therefore calculated Defendant's wage statement exposure at \$243,550 (79 initial
16 violations x \$50 + 2,396 subsequent violations x \$100).

17 24. Defendant maintains its wage statement policies/practices comply with California
18 law, and the statements provided sufficient detail to comply with the requirements in Labor Code
19 § 226(a)(3). Specifically, Defendant maintains that its provision of a piece-rate statement
20 accompanying each wage statement fits within the meaning of a "detachable part of the check"
21 as to satisfy the requirements of Labor Code § 226(a)(3). Finally, as to certification, Defendant
22 again maintains that this claim is not certifiable in the first place as Plaintiff (and all other putative
23 class members) signed an arbitration agreement with class action waivers. Plaintiff therefore
24 discounted the maximum exposure by 50% for the risk of non-certification, and by an additional
25 25% for risk of losing on the merits, to arrive at a reasonable exposure of \$91,331.

26 25. Plaintiff alleges that he and the putative class members spent approximately \$50
27 each month as a reasonable portion of their cell phone bills covering work-related
28

1 communications. Therefore, Plaintiff calculated Defendant's potential exposure on this claim at
2 \$61,875 ($\$50 \text{ reimbursement} \times 2,475 \text{ aggregate biweekly pay periods} \div 2$).

3 26. Defendant maintains that, at all relevant times, it never required its employees to
4 use their personal cell phones for work related communications, and instead provided employees
5 with company-owned phones at the time of hire. Further, Defendant maintains that its written
6 policy explicitly prohibits, with limited exception, employees from using their personal cell
7 phone/devices for work-related purposes. Additionally, beyond the arbitration agreements
8 previously discussed, Defendant maintains that this claim is not suited for class certification, as
9 the use of personal cell phone is a fact intensive inquiry, and individual issues would predominate
10 in determining which, if any, individual supervisors contacted employees and disseminated
11 necessary work-related information to the employees' personal cell phones and which employees,
12 if any, chose to not use the cell phones provided by Defendant, resulting in an unmanageable
13 series of mini-trials. Therefore, Plaintiff discounted the maximum potential exposure by 50% for
14 the risk of non-certification and 50% for the risk of being unsuccessful on the merits, to arrive at
15 an estimated exposure of \$15,469.

16 27. Given the numerous violations identified above, Plaintiff contends that PAGA
17 civil penalties would be recoverable for each pay period in the relevant time period. According to
18 Defendant's data, the Settlement Class members worked a combined total of 2,475 pay periods
19 during the PAGA liability period. Plaintiff therefore calculates Defendant's maximum PAGA
20 exposure at \$247,500 ($2,475 \text{ pay periods} \times \$100 \text{ per violation}$). However, these penalties are
21 exclusively derivative of the underlying violations that Defendant vigorously disputes, both as to
22 certification and the merits. Plaintiff also recognizes that the Court has discretion to substantially
23 reduce any award of PAGA penalties. Therefore, Plaintiff discounted the maximum figure by
24 33% for the likely possibility that this Court would reduce the PAGA penalties awarded, to arrive
25 at an estimated exposure of \$165,825.

26 28. Using these estimated figures, Plaintiff estimated that the potential reasonable
27 recovery for the Settlement Class would be approximately \$272,625. Thus, the proposed recovery
28 to the Settlement Class of \$240,000 represents approximately 88.03% of Plaintiff's reasonably

1 forecasted class-wide recovery, which is well within the range approved by courts as being fair,
2 reasonable and adequate, while also avoiding further expense and risk of proceeding towards class
3 certification and trial.

4 29. My firm conducted an extensive review and analysis of Defendant's payroll
5 records and drew on their extensive experience in similar cases to assess the strengths and
6 weaknesses of Plaintiff's case. It was only after the completion of this work that the Parties
7 attended mediation and ultimately accepted a mediator's proposal for a class-wide settlement of
8 all claims at issue.

9 30. This proposed Settlement is entitled to an initial presumption of fairness as it is
10 the result of the exchange of pertinent information, including all relevant policies, employee
11 timekeeping and payroll records which were analyzed by Plaintiff and my firm; arm's-length
12 negotiations by counsel; mediation before an experienced wage and hour class action mediator
13 who made a mediator's proposal; and additional negotiations until the terms of the long-form
14 Settlement were agreed upon and finalized.

15 31. Settlement Class members can be easily identified using Defendant's employment
16 and payroll records. Defendant represents that the Settlement Class consists of approximately 79
17 individuals, rendering it impracticable to bring all Settlement Class members before the Court.

18 32. Concurrently with the filing of this motion, Plaintiff provided notice of the
19 proposed Settlement, as well as copies of the Motion for Preliminary Approval and all papers
20 filed in support hereof, to the LWDA. Attached as **Exhibit E** are true and correct copies of
21 Plaintiff's Settlement submission and LWDA's confirmation of receipt.

22 33. I confirm that I am not affiliated with the proposed settlement administrator,
23 Phoenix Settlement Administrators. I am also not aware of any class, representative or other
24 collective action pending in any other court that asserts claims similar to those asserted in this
25 action.

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1 I declare under penalty of perjury under the laws of California and the United States that
2 the foregoing is true and correct. Executed on December 20, 2024, at El Segundo, California.

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5 Andrew J. Rowbotham
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EXHIBIT A

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement and Class Notice (this “Agreement”) is made by and between Plaintiff Alfonso Almaraz (“Plaintiff”) and Defendant Pan Pacific Petroleum Company, Inc., d/b/a World Oil Transportation, a California corporation (“Defendant”). This Agreement refers to Plaintiff and Defendant collectively as the “Parties”, or individually as “Party”.

1. DEFINITIONS.

- 1.1 “Action” means Plaintiff’s lawsuit captioned *Alfonso Almaraz vs. Pan Pacific Petroleum Company, Inc.*, Case No. 23STCV18296, and pending in the Superior Court of the State of California, County of Los Angeles.
- 1.2 “Administrator” means Phoenix Settlement Administrators, 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 settlement approval.
- 1.4 “Aggrieved Employees” means all non-exempt employees who worked for Defendant in California during the period commencing on August 2, 2022 and ending on the date of preliminary settlement approval.
- 1.5 “Class” means all non-exempt employees who worked for Defendant in California during the period commencing on August 2, 2022 and ending on the date of preliminary settlement approval, and who do not timely opt-out of the Settlement Class.
- 1.6 “Class Counsel” or “Plaintiff’s Counsel” means Paul K. Haines, Fletcher W. Schmidt, Andrew J. Rowbotham, and Susan J. Perez of Haines Law Group, APC.
- 1.7 “Class Counsel Fees Payment” means the amount allocated to Class Counsel for reimbursement of reasonable attorneys’ fees not to exceed 1/3 of the Gross Settlement Amount.
- 1.8 “Class Counsel Litigation Expenses Payment” means the amount allocated to Class Counsel for reasonable verified litigation costs and expenses not to exceed \$20,000.
- 1.9 “Class Data” means Class Member identifying information in Defendant’s possession including the Class Members’ names, addresses, phone numbers, social security numbers, and pay period information.
- 1.10 “Class Member” means a member 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).

- 1.11 “Class Member Address Search” means the 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.
- 1.12 “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 and Spanish, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.13 “Class Period” means the period commencing on August 2, 2022 and ending on the date of preliminary settlement approval.
- 1.14 “Class Representative” means Alfonso Almaraz, who is the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.15 “Court” means the Superior Court of California, County of Los Angeles.
- 1.16 “Defendant” means Defendant Pan Pacific Petroleum Company, Inc., d/b/a World Oil Transportation.
- 1.17 “Defense Counsel” means Daryl S. Landy and Samuel S. Sadeghi of Morgan, Lewis & Bockius, LLP.
- 1.18 “Effective Date” means the date by when all of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; (b) the Judgment is final; and (c) Defendant deposits the entire Gross Settlement Amount with the Administrator. 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 enters Judgment; (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; or 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.
- 1.19 “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21 “Gross Settlement Amount” means \$240,000, which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below (Escalator Clause). The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Administrator’s Expenses Payment.
- 1.22 “Individual Class Payment” means the Participating Class Member’s share of the Net Settlement Amount calculated in accordance with Paragraph 3.2.3.
- 1.23 “Individual PAGA Payment” means the Aggrieved Employee’s share of 25% of the PAGA

Penalties (i.e., \$12,500) calculated in accordance with Paragraph 3.2.4.1.

- 1.24 “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.25 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code § 2699, subd. (i).
- 1.26 “LWDA PAGA Payment” means the 75% portion of the PAGA Penalties (i.e., \$37,500) allocated and paid to the LWDA under Labor Code § 2699, subd. (i).
- 1.27 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Administrator’s Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.28 “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.
- 1.29 “PAGA Period” means the period commencing on August 2, 2022 and ending on the date of preliminary settlement approval.
- 1.30 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).
- 1.31 “PAGA Notice” means Plaintiff’s letters, dated August 2, 2023 and August 11, 2023, to Defendant and the LWDA providing notice pursuant to Labor Code § 2699.3, subd.(a).
- 1.32 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (i.e., \$50,000), allocated 25% to the Aggrieved Employees (\$12,500) and 75% to LWDA (\$37,500) in settlement of PAGA claims.
- 1.33 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.34 “Plaintiff” means Alfonso Almaraz, the named plaintiff in the Action.
- 1.35 “Preliminary Approval Order” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.36 “Released Class Claims” means the claims being released as described in Paragraph 5.1 below.
- 1.37 “Released PAGA Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.38 “Released Parties” means: Defendant and, with respect to Defendant, the following, either collectively or individually: any and all direct and indirect parent companies and subsidiary companies, and companies under common control with any of the foregoing (including, without limitation, World Oil Corp.), and its and their respective consultants, fiduciaries, agents, servants, exempt employees, contractors, partners, shareholders, members, owners, predecessors, advisors,

managers, trustees, ancillary trustees, beneficiaries, representatives, officers, directors, attorneys, guarantors, insurers, employee benefit programs, successors and assigns, and all persons and entities acting by, through, under or in concert with them, or any of them.

- 1.39 “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 and including the information specified in Paragraph 7.5.1.
- 1.40 “Response Deadline” means sixty (60) calendar days after the 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 their Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.
- 1.41 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

2. RECITALS.

- 2.1 On August 2, 2023, Plaintiff filed the Action. On October 17, 2023, after Plaintiff exhausted his administrative requirements with the LWDA, Plaintiff amended his complaint to add a cause of action for civil penalties under PAGA.
- 2.2 On October 23, 2023, Plaintiff initiated an individual demand for arbitration with JAMS (Case No. 5220004456) based on the factual allegations in Plaintiff’s Action.
- 2.3 On November 16, 2023, the Hon. David S. Cunningham III dismissed Plaintiff’s individual claims along with the claims of the putative class members from the Action without prejudice. The Court further stayed the remaining PAGA claims in the Action pending the outcome of Plaintiff’s individual arbitration.
- 2.4 On February 23, 2024, the Parties participated in an all-day mediation presided over by Hon. Daniel Buckley (Ret.). The Parties continued negotiations in the ensuing weeks with the mediator’s assistance and ultimately reached an agreement to settle the Action.
- 2.5 Prior to mediation, Plaintiff obtained, through informal discovery, wage statements and piece-rate detail sheets, relevant policies, and an anonymized list of all Aggrieved Employees with hire and termination dates. Plaintiff’s 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”).
- 2.6 The Court has not granted class certification.
- 2.7 The Parties, Class Counsel and Defense Counsel represent that 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 8 below (Escalator Clause), Defendant promises to pay a total of \$240,000 as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.2 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 Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
- 3.2.1 To Class Counsel: The Class Counsel Fees Payment shall not exceed 1/3rd of the Gross Settlement Amount and is currently estimated to be \$80,000, and the Class Counsel Litigation Expenses Payment shall not exceed \$20,000. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves the Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment for less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion of the Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation 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 agrees to hold Defendant and the other Released Parties harmless, and indemnify Defendant and the other Released Parties, from any against any and all costs, penalties, taxes or other payments made or required as a result of the allocation of those payments, if any, or the reporting of those payments..
- 3.2.2 To the Administrator: An Administrator Expenses Payment not to exceed \$6,950 except for a showing of good cause and as approved by the Court. To the extent the Administrator Expenses Payment is less or the Court approves payment less than the above stated amount, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.3 To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of pay periods worked by all Participating Class Members during the Class Period and (b) multiplying the result by the total number of pay periods worked by such Participating Class Member.
- 3.2.3.1 Tax Allocation of Individual Class Payments. 100% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties. Individual Class Payments will therefore not be subject to wage withholdings and will be reported on IRS Forms 1099. Participating Class

Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.3.2 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 pursuant to the formula in Paragraph 3.2.3.

3.2.4 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$50,000 to be paid from the Gross Settlement Amount, with 75% (\$37,500) allocated to the LWDA PAGA Payment and 25% (\$12,500) allocated to the Individual PAGA Payments.

3.2.4.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$12,500) by the total number of pay periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the total number of pay periods worked by the applicable Aggrieved Employee. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2 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 Data. Not later than twenty (20) business days after the Court grants Preliminary Approval of the Settlement and subject to the Administrator signing a confidentiality agreement, Defendant will deliver the Class Data to the Administrator (to the extent such information is available). To protect Class Members' privacy rights, the Administrator will 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 and who have signed a confidentiality agreement on terms as protective as this Agreement; the Administrator will be responsible for any breach of this Paragraph by its employees. Administrator may share sufficient data (excluding contact information) with Class Counsel to help resolve issues regarding the distribution of the Settlement and Class Members' questions, should they arise. Defendant has a continuing duty to promptly 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.
- 4.2 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than sixty-five (65) 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 sixty-five (65) days after the Judgment becomes final. Defendant's payment to the Administrator will fully and completely satisfy Defendant's obligations under this Agreement. Should the Administrator fail to perform its obligations or fund the amounts provided in this Agreement after receipt of the Gross Settlement Amount from Defendant, this Agreement shall nevertheless be enforced and judgment entered in accordance with this Agreement.

4.3 Payments from the Gross Settlement Amount. Within ten (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, and the Class Counsel Litigation Expenses Payment. Disbursement of the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.3.1 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 Administrator will update the recipients' mailing addresses using the National Change of Address Database.

4.3.2 The Administrator will conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (7) days after receiving a returned check the Administrator will 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.

4.3.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the State Controller Unclaimed Property Fund. After the void date, the Parties will submit a declaration from the Administrator attesting to the total amount that was actually paid to the class members along with any interest that has accrued thereon. The Parties will concurrently submit an amended Judgment to direct the Administrator to disburse these amounts to the State Controller Unclaimed Property Fund per California Code of Civil Procedure § 384(b).

4.3.4 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.

5. **RELEASES OF CLAIMS.** Effective as of the Effective Date, Participating Class Members and Aggrieved Employees hereby fully and forever release and discharge all claims against all Released Parties as follows:

5.1 **Release by Participating Class Members:** All Participating Class Members, including Plaintiff, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, hereby release and discharge the Released Parties from all claims pled in any complaint Plaintiff filed against Defendant or the Released Parties in this Action (or Plaintiff's LWDA letters dated August 2, 2023 and August 11, 2023), or which could have been pled based on the factual allegations therein, that arose during the Class Period. This includes but is not limited to claims for failure to reimburse business expenses, failure to provide accurate, compliant, or itemized wage statements, failure to provide personnel and pay records upon request, and unfair competition. Except as set forth in Paragraphs 5.1 and 5.2 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.2 **Release by Aggrieved Employees:** All Participating and Non-Participating Class Members who are Aggrieved Employees, including Plaintiff, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, are deemed to hereby release and discharge the Released Parties from all PAGA claims that arise out of, or directly relate to, the facts alleged in any complaint Plaintiff filed against Defendant or the Released Parties in this Action or Plaintiff's LWDA letters dated August 2, 2023 and August 11, 2023, or which could have been pled based on the factual allegations therein, that arose during the PAGA Period. Aggrieved Employees will not release any underlying wage and hour claims under this Paragraph, only PAGA claims.

5.2.1 The Aggrieved Employees, including Plaintiff, hereby further agree that they will not participate or receive recovery or monies in connection with any other proceeding seeking penalties under Section 2699, which arises during the PAGA Period for claims based on the facts alleged in any of Plaintiff's complaints (or letters sent to the LWDA dated August 2, 2023 and August 11, 2023) filed in this Action.

5.2.2 All Aggrieved Employees, including Plaintiff, will be bound by the releases set forth in Paragraphs 5.1 and 5.2 and may not opt-out of the PAGA portion of the Settlement.

6. **MOTION FOR PRELIMINARY APPROVAL.** Plaintiff will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals. Plaintiff will provide Defense Counsel at least fourteen (14) days to review and comment on the draft motion prior to its filing with the Court. Plaintiff will send notice of the settlement to the LWDA as required under PAGA.

- 6.1 Plaintiff's Responsibilities. Plaintiff 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 Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and the Administrator; (v) 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)); (vi) a redlined version of this agreement between the Parties compared with, and showing all modifications made to, the Model Agreement ready for filing with the Court; and (vii) all facts relevant to any actual or potential conflict of interest with Class Members, and the Administrator. In their Declarations, Plaintiff and Class Counsel 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.
- 6.2 Responsibilities of Counsel. Class Counsel is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval as soon as practicable after the full execution of this Agreement and obtaining a prompt hearing date for the Motion for Preliminary Approval. Class Counsel and Defense Counsel are jointly responsible 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.
- 6.2.1 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 a signed Declaration from 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.
- 6.3 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, except that the Parties agree that, subject to the Escalator Clause in Paragraph 8, Defendant will not be obligated to increase the Gross Settlement Amount. The Court’s decision to award less than the amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to this Agreement within the meaning of this Paragraph.

7. **SETTLEMENT ADMINISTRATION.**

- 7.1 **Selection of Administrator.** The Parties have jointly selected Phoenix Settlement Administrators. to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of the Administration Expenses Payment. 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.
- 7.2 **Employer Identification Number.** The Administrator shall have and use its own Employer Identification Number for purposes of providing any necessary reports to state and federal tax authorities.
- 7.3 **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.
- 7.4 **Notice to Class Members.**
- 7.4.1 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, Aggrieved Employees, and pay periods in the Class Data.
- 7.4.2 Using best efforts to perform as soon as possible, and in no event later than ten (10) business days after receiving approval from the Parties, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of pay periods used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 7.4.3 Not later than seven (7) days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 7.4.4 The deadlines for Class Members’ written objections, challenges to pay periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the sixty (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.
- 7.4.5 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 a 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 fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5 Requests for Exclusion (Opt-Outs).

- 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than sixty (60) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline. Plaintiff agrees to not request exclusion from the Class Settlement.
- 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of the validity and authenticity of Requests for Exclusion shall be final and not appealable or otherwise susceptible to challenge.
- 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, is entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' releases under Paragraphs 5.1 and 5.2 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.2 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Pay Periods. Each Class Member shall have sixty (60) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the number of pay periods allocated to the Class

Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator will encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the pay periods contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator shall promptly provide copies of all challenges to calculation of pay periods to Defense Counsel. Final Determination of any such challenge shall be made by Defendant following a conference with Class Counsel and, to the extent possible, resolved prior to finalizing the amounts distributable to Participating Class Members and Aggrieved Employees.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, and/or Class Counsel Litigation Expenses Payment.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than sixty (60) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).

7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8 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.

7.8.1 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 Order, the Class Notice, the Motion for 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.

7.8.2 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 seven (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).

- 7.8.3 **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 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.
- 7.8.4 **Administrator’s Declaration.** Not later than fourteen (14) days before the date by which Plaintiff is 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.
- 7.8.5 **Final Report by Administrator.** Within ten (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 seven (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. **ESCALATOR CLAUSE.** Defendant represents that there are an estimated 2,475 pay periods worked by the Settlement Class during the PAGA/Class Period. If the number of total pay periods worked by Class Members as reported to the Administrator following settlement approval exceeds 2,475 pay periods by more than 15% (*i.e.*, if there are 2,847 or more total pay periods), Defendant will either: (1) increase the Gross Settlement Amount on a proportional basis (*i.e.*, if the final number of pay periods is 2,990 and thus exceeds the 15% threshold by 5%, Defendant may increase the Gross Settlement Amount by 5%) or (2) select an earlier cut-off date for the PAGA/Class Period (*i.e.*, an ending date for the PAGA/Class Period that precedes the date of preliminary court approval and results in the total number of pay periods to be less than 2,847 pay periods). Should the Administrator’s costs increase due to a trigger of this provision, Defendant will separately pay a reasonable amount for the costs that exceed the original bid.
9. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code § 2699, subd. (1), a

Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”).

- 9.1 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 five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 9.2 Defendant’s Right to Withdraw. Defendant may withdraw from the Settlement if: (A) this Agreement is construed in such a fashion that Defendant is required to pay more than the amount agreed upon by the Parties in the Settlement; (B) the Court does not order the release of claims as provided in this Agreement, or otherwise makes an order inconsistent with any of the material terms of this Agreement; or (C) Plaintiff or Class Counsel breaches this Agreement. In the event Defendant withdraws from the Settlement, Defendant will pay any administration costs incurred. If the Court does not approve the Settlement with prejudice or Defendant withdraws from the Settlement per this Paragraph, the term sheet (MOU) and other settlement stipulation or papers are null and void except specified provisions such as Confidentiality (Paragraph 12.2) and No Admission of Liability (Paragraph 12.1).
- 9.3 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.
- 9.4 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 the 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.
- 9.5 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, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court’s award of the 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.

10. **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.
11. **STIPULATIONS.**
- 11.1 The Parties will stipulate to permit Plaintiff leave to file a Second Amended Complaint in the Action to add claims on a putative class action basis based on the same underlying theories of liability and causes of action pleaded in Plaintiff's First Amended Complaint. The Settlement is expressly conditioned upon the Court granting the Parties' stipulation to permit Plaintiff leave to file the Second Amended Complaint and Plaintiff filing a Second Amended Complaint to add claims on a putative class action basis.
- 11.2 The Parties shall stipulate to dismiss the Plaintiff's individual arbitration (filed with JAMS) with prejudice after the Court finally approves the Settlement.
12. **ADDITIONAL PROVISIONS.**
- 12.1 **No Admission of Liability, Class Certification or Representative Manageability for Other Purposes.** This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Action have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of the Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 12.2 **Confidentiality Prior to Preliminary Approval.** The Parties agree to maintain the confidentiality of the Settlement before the approval motion is filed. Thereafter, the Parties agree that no press release or other publicity regarding this matter will be issued by either Party, except that this provision will not apply to any reporting requirements by Defendant, including to its outside auditors or Board of Directors. Additionally, while the public terms of the Settlement will not be confidential after filing the motion for preliminary approval, Plaintiff's counsel will not contact the press or media about the Settlement.
- 12.3 **No Solicitation.** The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this Paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.4 **Integrated Agreement.** Upon execution by all Parties and their counsel, this Agreement together

with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

- 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying this Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of this Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in the Settlement.
- 12.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Agreement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13 Continuing Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code

§1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to the Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

- 12.15 Headings. The descriptive heading of any section or Paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 12.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:
- | | |
|---------------|---|
| To Plaintiff: | Fletcher W. Schmidt of Haines Law Group, APC
2155 Campus Drive, Suite 180, El Segundo, CA 90265
fschmidt@haineslawgroup.com |
| To Defendant: | Daryl S. Landy of Morgan, Lewis & Bockius LLP
600 Anton Boulevard, Suite 1800, Costa Mesa, CA 92626
daryl.landy@morganlewis.com |
- 12.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (*e.g.*, DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 12.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP § 583.330 to extend the date to bring a case to trial under CCP § 583.310 for the entire period of this settlement process.
- 12.20 Enforcement Action. In the event that one more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Agreement or to declare rights and/or obligations under this Agreement, 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.

DATED: October 10, 2024

PAN PACIFIC PETROLEUM COMPANY, INC.

DocuSigned by:
By: Christopher Norton
CCBA1674504D469...
Name: Christopher Norton
Title: Chief Legal Officer

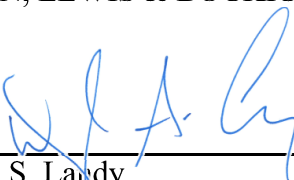
DATED:

PLAINTIFF ALFONSO ALMARAZ

By: _____
Plaintiff and Settlement Class Representative

DATED: 10/10/2024

MORGAN, LEWIS & BOCKIUS LLP

By: 
Daryl S. Landy
Samuel S. Sadeghi
Attorneys for Defendant

DATED:

HAINES LAW GROUP, APC

By: _____
Fletcher W. Schmidt
Attorneys for Plaintiff

DATED:

PAN PACIFIC PETROLEUM COMPANY, INC.

By: _____

Name: Christopher Norton
Title: Chief Legal Officer

DATED: Oct 10, 2024

PLAINTIFF ALFONSO ALMARAZ

Alfonso Almaraz

By: Alfonso Almaraz (Oct 10, 2024 19:54 PDT)

Plaintiff and Settlement Class Representative

DATED:

MORGAN, LEWIS & BOCKIUS LLP

By: _____

Daryl S. Landy
Samuel S. Sadeghi
Attorneys for Defendant

DATED: October 17, 2024

HAINES LAW GROUP, APC

Fletcher W. Schmidt

By: _____

Fletcher W. Schmidt
Attorneys for Plaintiff

EXHIBIT B

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

Alfonso Almaraz v. Pan Pacific Petroleum Company, Inc.
Los Angeles Superior Court Case No. 23STCV18296

***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.***

This notice is being provided to you in both English and Spanish.

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Pan Pacific Petroleum Company, Inc., d/b/a World Oil Transportation (“Defendant”) for alleged wage and hour violations. The Action was filed by a former employee of Defendant, Alfonso Almaraz (“Plaintiff”), and seeks payment of alleged business expenses and wage statement penalties for Class Members (defined as all non-exempt employees who worked for Defendant in California during the period commencing on August 2, 2022 and ending on <<END OF CLASS PERIOD>>, and who do not timely opt-out of the Settlement Class) (the “Class Period”)); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all Aggrieved Employees (defined as all non-exempt employees who worked for Defendant in California during the period commencing on August 2, 2022 and ending on <<END OF PAGA PERIOD>> (the “PAGA Period”)).

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 Administrator’s current calculations, **your Individual Class Payment is estimated to be \$<<CLASS PAYMENT>> 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.

The above estimates are based on Defendant’s records showing that **you worked <<PAY PERIODS>> pay periods** during the Class/PAGA Period. If you believe that you worked more pay periods than shown, you can submit a challenge by the deadline date. See Section 4.3 (Pay Period Challenges) 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 Plaintiff and Plaintiff’s attorneys. 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.

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

Do Nothing and 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 claims against Defendant that are covered by this Settlement (Released Claims).
Opt-out of the Class Settlement	If you don't want to fully participate in the Class 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 (HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?) of this Notice.
The Opt-out Deadline is <<RESPONSE DEADLINE>>	You cannot opt-out of the PAGA portion of the Settlement. Defendant will pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Object to the Class Settlement Written Objections Must be Submitted by <<RESPONSE DEADLINE>>	All Class Members who do not opt-out (" <u>Participating Class Members</u> ") can object to any aspect of the Class Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel, but every dollar paid to Class Counsel 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 (HOW DO I OBJECT TO THE SETTLEMENT?) of this Notice.
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 (CAN I ATTEND THE FINAL APPROVAL HEARING?) of this Notice.

Challenge the Calculation of Your Pay Periods Written Challenges Must be Submitted by <<RESPONSE DEADLINE>>	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many pay periods you worked at least one day during the Class/PAGA Period. The number of pay periods you worked according to Defendant’s records is stated on the first page of this Notice. If you disagree with this figure, you must challenge it by <<RESPONSE DEADLINE>>. See Section 4.3 (Pay Period Challenges) of this Notice.
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1. WHAT IS THE LAWSUIT ABOUT?

This is a class and PAGA action, meaning it is a lawsuit seeking to have the claims and rights of many people decided in a single court proceeding. Plaintiff Alfonso Almaraz alleges the following claims under California law: failure to reimburse all necessary business expenses and failure to issue accurate itemized wage statements to employees. Based on the same allegations, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, *et seq.*). Plaintiff is represented by attorneys in the Action: Paul K. Haines, Fletcher W. Schmidt, Andrew J. Rowbotham, and Susan J. Perez of Haines Law Group, APC (“Class Counsel”).

Defendant denies Plaintiff’s claims and contends that it has complied with all applicable laws. Defendant entered into the Settlement solely for purposes of avoiding the risk and uncertainty of litigation.

This Settlement is the result of good-faith, arms-length negotiations between the Parties, through their respective attorneys, with the assistance of a neutral mediator. The Parties agree that in light of the risks and expense associated with continued litigation, this Settlement is fair, adequate, and reasonable, and that it is in the best interest of the Class and PAGA Members.

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

The Court has made no determination whether Defendant or Plaintiff is correct. Plaintiff and Defendant reached a settlement by mediating the case with a neutral third party for the sole purpose of resolving the matter and with no admission or finding of liability or wrongdoing by Defendant.

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

1. Defendant Will Pay \$240,000 as the Gross Settlement Amount (Gross Settlement). Subject to Court Approval, Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA 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 sixty-five (65) days after the Judgment entered by the Court become final.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing,

Plaintiff 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 \$80,000 (1/3 of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$20,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
- B. Up to \$6,950 to the Administrator for services administering the Settlement.
- C. Up to \$50,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment (\$37,500) and 25% to Individual PAGA Payments (\$12,500) paid on a proportional basis to the Aggrieved Employees based on the number of pay periods they worked during the PAGA Period.

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 the proportional share pay periods worked during the Class Period.
- 4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve a 100% allocation of each Individual Class Payment to non-taxable interest and penalties. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report all payments on IRS Forms 1099.

The Individual PAGA Payments are treated as civil penalties, not wages, for tax purposes for which an IRS Form 1099 shall be provided. You should consult your tax advisor concerning the tax consequences of the payment(s) you receive under the 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 disbursed to the State Controller Unclaimed Property Fund.**
- 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 a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not be eligible to receive an Individual Class Payment or object to the terms

of the Settlement. You will not be bound by the non-PAGA terms of the Settlement, and may pursue any individual claims you may have, at your own expense, against Defendant. If you are a PAGA Member, you will still receive an Individual PAGA Payment regardless of whether you submit a Request for Exclusion.

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 enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendant have agreed that, in either case, the Settlement will be void. If the Settlement becomes 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, Phoenix Settlement Administrators (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also determine the validity and authenticity of Requests for Exclusion, 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 (HOW CAN I GET MORE INFORMATION?) of this Notice.
9. Participating Class Members’ Release. After the Judgment is final and Defendant has fully funded the Gross Settlement, 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, including Plaintiff, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release and discharge Defendant and, with respect to Defendant, the following, either collectively or individually: any and all direct and indirect parent companies and subsidiary companies, and companies under common control with any of the foregoing (including, without limitation, World Oil Corp.), and its and their respective consultants, fiduciaries, agents, servants, exempt employees, contractors, partners, shareholders, members, owners, predecessors, advisors, managers, trustees, ancillary trustees, beneficiaries, representatives, officers, directors, attorneys, guarantors, insurers, employee benefit programs, successors and assigns, and all persons and entities acting by, through, under or in concert with them, or any of them (collectively the “Released Parties”), from all claims pled in any complaint Plaintiff filed against Defendant or the Released Parties in this Action (or Plaintiff’s LWDA letters dated August 2, 2023 and August 11, 2023), or which could have been pled based on the factual allegations therein, that arose during the Class Period. This includes but is not limited to claims for failure to reimburse business expenses, failure to provide

accurate, compliant, or itemized wage statements, failure to provide personnel and pay records upon request, and unfair competition. Except as set forth above and with regards to the Aggrieved Employees' PAGA Release, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendant has paid the Gross Settlement, all Aggrieved Employees, including Plaintiff, 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 or its related entities 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:

All Participating and Non-Participating Class Members who are Aggrieved Employees, including Plaintiff, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, are deemed to release and discharge, Defendant and the other Released Parties from all PAGA claims that arise out of, or directly relate to, the facts alleged in any complaint Plaintiff filed against Defendant or the Released Parties in this Action or Plaintiff's LWDA letters dated August 2, 2023 and August 11, 2023, or which could have been pled based on the factual allegations therein, that arose during the PAGA Period. Aggrieved Employees will not release any underlying wage and hour claims under this release, only PAGA claims.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of pay periods worked by all Participating Class Members, and (b) multiplying the result by the number of pay periods worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing the 25% share of PAGA Penalties (\$12,500) by the total number of pay periods worked by all Aggrieved Employees and (b) multiplying the result by the number of pay periods worked by each individual Aggrieved Employee.
3. Pay Period Challenges. The number of pay periods you worked during the Class/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 credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 (HOW CAN I GET MORE INFORMATION?) 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 the calculation of 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. Final Determination of Class Member Challenges over pay periods shall be made by Defendant following a conference with Class Counsel. You can't appeal or otherwise challenge the 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 (HOW CAN I GET MORE INFORMATION?) 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, 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 *Alfonso Almaraz vs. Pan Pacific Petroleum Company, Inc.*, Los Angeles Superior Court Case No. 23STCV18296, 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 (HOW CAN I GET MORE INFORMATION?) 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 Plaintiff and Defendant are asking the Court to approve. At least sixteen (16) court days before <<FINAL APPROVAL HEARING DATE>> (the Final Approval Hearing), Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is

fair, as well as a request for Fees, Litigation Expenses stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses. Upon reasonable request, Class Counsel (whose contact information is in Section 9 (HOW CAN I GET MORE INFORMATION?) 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 (23STCV18296).

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees and Litigation Expenses may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel 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 (*Alfonso Almaraz vs. Pan Pacific Petroleum Company, Inc.*, Los Angeles Superior Court Case No. 23STCV18296) and include your name, current address, telephone number, and approximate dates of employment for Defendant and sign the objection. Section 9 (HOW CAN I GET MORE INFORMATION?) 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 (CAN I ATTEND THE FINAL APPROVAL HEARING?) of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but do not have to, attend the Final Approval Hearing on **<<FINAL APPROVAL HEARING DATE>>** at **<<FINAL APPROVAL HEARING TIME>>** in Department 11 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, Plaintiff, 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 easiest way to access the Settlement Agreement, the Judgment or any other Settlement

documents is to go to the Administrator's website <<ADMIN URL FOR CASE>>. You can also contact 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. 23STCV18296. 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.

Administrator:

Phoenix Settlement Administrators

<<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 Administrator before the void date otherwise your check will be voided and distributed to the State Controller Unclaimed Property Fund.

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.

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

EXHIBIT C

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

August 2, 2023

VIA LWDA WEBSITE

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

Re: *Alfonso Almaraz v. World Oil, Corp., et al.*

To Whom It May Concern:

Please be advised that this law firm represents Alfonso Almaraz in claims arising from his employment with World Oil, Corp. and Does 1 through 100 (“Defendants”). Mr. Almaraz 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’ non-exempt employees who worked for Defendants in California during the one year immediately preceding the date of this letter through the present.

Defendants operate a petroleum products transportation provider specializing in the delivery of oil across California. Mr. Almaraz has been employed by Defendants in the non-exempt position of “Driver” from approximately November 9, 2019, to the present. On July 7, 2023, Mr. Almaraz submitted a written personnel records request to Defendants. Defendants failed to respond to Mr. Almaraz’s records request within 21 days from the date of the request, in direct violation of Labor Code section 226(c), and has not responded to Mr. Almaraz’s request as of the date of this letter.

During their respective employments with Defendants, Mr. Almaraz and other aggrieved employees were required to use their personal cell phones for work, as supervisors would frequently call them on their personal cell phones for work-related communications. Despite this, Defendants failed to reimburse Mr. Almaraz and other aggrieved employees for all necessary business expenses associated with using their personal cell phones in violation of Labor Code § 2802. *See Cochran v. Schwan's Home Service, Inc.* (2014) 228 Cal.App.4th 1137, 1144 (holding that employer who requires

employees use their personal cell phone for business purposes must reimburse a reasonable percentage of the employee's cell phone bill).

In addition, Defendants pay Plaintiff and other non-exempt employees piece-rate wages, but do not list the number of pieces earned and corresponding piece-rates on employee wage statements, in violation of Labor Code § 226.

As described above, Defendants committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 9 ("Wage Order 9"):

Failure to Reimburse Necessary Business Expenses

Defendants failed to reimburse Mr. Almaraz and other aggrieved employees for necessary work expenses, including the use of their personal cellular phones for business purposes. Defendants' policy of not providing reimbursement for necessary work-related expenses violates Wage Order 9, § 8, and Labor Code §§ 2802 and 2804 ("An employer shall indemnify his or her employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or obedience to the directions of the employer.") Mr. Almaraz and other aggrieved employees are therefore entitled to reimbursement of such unpaid work expenses with interest.

Wage Statement Violations

Defendants knowingly and intentionally, as a matter of uniform policy and practice, failed to furnish Mr. Almaraz and other aggrieved employees with complete and accurate wage statements with respect to piece-rate wages earned, in violation of Labor Code § 226 *et seq.* Defendants' failures in furnishing Mr. Almaraz and other aggrieved employees with complete and accurate itemized wage statements resulted in actual injury, as said failures deprived Mr. Almaraz and other non-exempt employees of the information necessary to identify the discrepancies in Defendants' reported data and whether they have been paid all wages earned.

Record Keeping Violations

Defendants are subject to Labor Code § 226 (c) which states that upon receipt of a written or oral request to inspect or copy records, the employer "shall comply with the request as soon as practicable, but no later than 21 calendar days from the date of the request." Labor Code § 226 (f) further provides that "[a] failure by an employer to permit a current or former employee to inspect or copy records within the time set forth in subdivision (c) entitles the current or former employee or the Labor Commissioner to recover a seven-hundred-fifty-dollar (\$750) penalty from the employer." Although Mr. Almaraz made a written request pursuant to subdivision (c), Defendants failed to respond within 21 days.

As an “aggrieved employee,” Mr. Almaraz will initiate a civil action on behalf of himself 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 Mr. Almaraz’s own investigation, and on information and belief, Defendants committed and continue to commit the following Labor Code violations:

- a. Defendants violated Labor Code §§ 2802 and 2804 by failing to reimburse Mr. Almaraz and other aggrieved employees for all work-related expenses incurred;
- b. Defendants violated Labor Code § 226 *et. seq* by failing to furnish Mr. Almaraz and other aggrieved employees with accurate and compliant itemized wage statements;
- c. Defendants violated Labor Code § 226(c) by failing to respond to Mr. Almaraz and other aggrieved employees’ written requests to inspect their employment records; and

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: World Oil, Corp. c/o CT Corporation, Amanda Garcia, agent for service of process
(via certified mail)

PROOF OF ACCEPTANCE (ELECTRONIC)

PRODUCED DATE: 08/03/2023

HAINES LAW GROUP:

The following is information for Certified Mail™/RRE item number:

9214 8901 9403 8324 8691 49

Our records indicate that this item was accepted by the USPS at:

SHIPMENT RECEIVED ACCEPTANCE PENDING EL SEGUNDO,CA 90245 08/02/2023

ORIGINAL INTENDED RECIPIENT:

WORLD OIL CORP

C/O: AMANDA GARCIA AGENT FOR SERVICE OF PROCESS

330 N BRAND BLVD STE 700

GLENDALE CA 91203-2336

JR



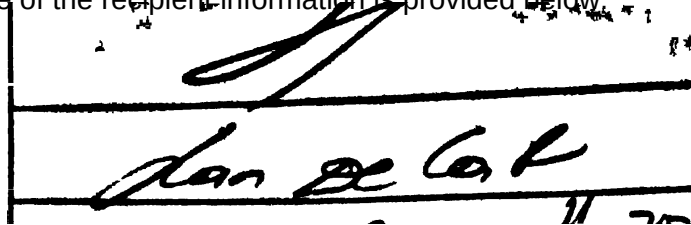
Mailer: Haines Law Group

Date Produced: 08/08/2023

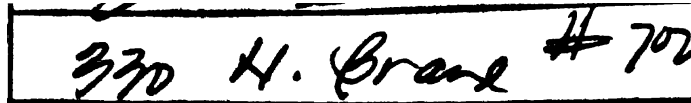
ConnectSuite Inc.:

The following is the delivery information for Certified Mail™/RRE item number 9214 8901 9403 8324 8691 49. Our records indicate that this item was delivered on 08/07/2023 at 07:49 a.m. in GLENDALE, CA 91209. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient :



Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

This USPS proof of delivery is linked to the customers mail piece information on file as shown below:

WORLD OIL CORP
C/O: AMANDA GARCIA AGENT FOR SERVICE OF PROCESS
STE 700
330 N BRAND BLVD
GLENDALE CA 91203-2336

Customer Reference Number: C4368585.26092305

Return Reference Number JR

EXHIBIT D

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

August 11, 2023

VIA LWDA WEBSITE

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

Re: *Alfonso Almaraz v. World Oil, Corp., et al.*

To Whom It May Concern:

Please be advised that this law firm represents Alfonso Almaraz. This letter serves as an amendment to Mr. Almaraz's original correspondence of August 2, 2023 regarding Labor Code violations experienced by Mr. Almaraz during his employment. Mr. Almaraz's earlier letter is attached hereto and is explicitly incorporated herein by reference.

Mr. Almaraz has recently identified an additional Defendant (previously named as a DOE Defendant) that is liable for the Labor Code violations identified in the August 2, 2023 correspondence to the LWDA. The specific name of this Defendant is Pan Pacific Petroleum Company, Inc. ("Pan Pacific").

Mr. Almaraz is an "aggrieved employee" within the meaning of Labor Code § 2698 *et seq.*, due to Pan Pacific's numerous violations of the Labor Code as originally set forth in Mr. Almaraz's August 2, 2023 letter.

As an "aggrieved employee," Mr. Almaraz will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Almaraz's own investigation, and on information and belief, Pan Pacific committed and continues to commit the following Labor Code violations, based upon the same factual allegations that are included in Mr. Almaraz's original August 2, 2023 letter:

- a. Pan Pacific violated Labor Code §§ 2802 and 2804 by failing to reimburse Mr. Almaraz and other aggrieved employees for all work-related expenses incurred;
- b. Pan Pacific violated Labor Code § 226 *et. seq* by failing to furnish Mr. Almaraz and other aggrieved employees with accurate and compliant itemized wage statements; and

LWDA

August 11, 2023

Page 2 of 2

- c. Pan Pacific violated Labor Code § 226(c) by failing to respond to Mr. Almaraz and other aggrieved employees' written requests to inspect their employment records.

Pursuant to Labor Code § 2699.3, please notify us and Pan Pacific 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: World Oil, Corp. c/o CT Corporation, Amanda Garcia, agent for service of process (via certified mail); Pan Pacific Petroleum Company, Inc. c/o CT Corporation, Amanda Garcia, agent for service of process (via certified mail).

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

August 2, 2023

VIA LWDA WEBSITE

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

Re: *Alfonso Almaraz v. World Oil, Corp., et al.*

To Whom It May Concern:

Please be advised that this law firm represents Alfonso Almaraz in claims arising from his employment with World Oil, Corp. and Does 1 through 100 (“Defendants”). Mr. Almaraz 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’ non-exempt employees who worked for Defendants in California during the one year immediately preceding the date of this letter through the present.

Defendants operate a petroleum products transportation provider specializing in the delivery of oil across California. Mr. Almaraz has been employed by Defendants in the non-exempt position of “Driver” from approximately November 9, 2019, to the present. On July 7, 2023, Mr. Almaraz submitted a written personnel records request to Defendants. Defendants failed to respond to Mr. Almaraz’s records request within 21 days from the date of the request, in direct violation of Labor Code section 226(c), and has not responded to Mr. Almaraz’s request as of the date of this letter.

During their respective employments with Defendants, Mr. Almaraz and other aggrieved employees were required to use their personal cell phones for work, as supervisors would frequently call them on their personal cell phones for work-related communications. Despite this, Defendants failed to reimburse Mr. Almaraz and other aggrieved employees for all necessary business expenses associated with using their personal cell phones in violation of Labor Code § 2802. *See Cochran v. Schwan's Home Service, Inc.* (2014) 228 Cal.App.4th 1137, 1144 (holding that employer who requires

employees use their personal cell phone for business purposes must reimburse a reasonable percentage of the employee's cell phone bill).

In addition, Defendants pay Plaintiff and other non-exempt employees piece-rate wages, but do not list the number of pieces earned and corresponding piece-rates on employee wage statements, in violation of Labor Code § 226.

As described above, Defendants committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 9 ("Wage Order 9"):

Failure to Reimburse Necessary Business Expenses

Defendants failed to reimburse Mr. Almaraz and other aggrieved employees for necessary work expenses, including the use of their personal cellular phones for business purposes. Defendants' policy of not providing reimbursement for necessary work-related expenses violates Wage Order 9, § 8, and Labor Code §§ 2802 and 2804 ("An employer shall indemnify his or her employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or obedience to the directions of the employer.") Mr. Almaraz and other aggrieved employees are therefore entitled to reimbursement of such unpaid work expenses with interest.

Wage Statement Violations

Defendants knowingly and intentionally, as a matter of uniform policy and practice, failed to furnish Mr. Almaraz and other aggrieved employees with complete and accurate wage statements with respect to piece-rate wages earned, in violation of Labor Code § 226 *et seq.* Defendants' failures in furnishing Mr. Almaraz and other aggrieved employees with complete and accurate itemized wage statements resulted in actual injury, as said failures deprived Mr. Almaraz and other non-exempt employees of the information necessary to identify the discrepancies in Defendants' reported data and whether they have been paid all wages earned.

Record Keeping Violations

Defendants are subject to Labor Code § 226 (c) which states that upon receipt of a written or oral request to inspect or copy records, the employer "shall comply with the request as soon as practicable, but no later than 21 calendar days from the date of the request." Labor Code § 226 (f) further provides that "[a] failure by an employer to permit a current or former employee to inspect or copy records within the time set forth in subdivision (c) entitles the current or former employee or the Labor Commissioner to recover a seven-hundred-fifty-dollar (\$750) penalty from the employer." Although Mr. Almaraz made a written request pursuant to subdivision (c), Defendants failed to respond within 21 days.

As an “aggrieved employee,” Mr. Almaraz will initiate a civil action on behalf of himself 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 Mr. Almaraz’s own investigation, and on information and belief, Defendants committed and continue to commit the following Labor Code violations:

- a. Defendants violated Labor Code §§ 2802 and 2804 by failing to reimburse Mr. Almaraz and other aggrieved employees for all work-related expenses incurred;
- b. Defendants violated Labor Code § 226 *et. seq* by failing to furnish Mr. Almaraz and other aggrieved employees with accurate and compliant itemized wage statements;
- c. Defendants violated Labor Code § 226(c) by failing to respond to Mr. Almaraz and other aggrieved employees’ written requests to inspect their employment records; and

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: World Oil, Corp. c/o CT Corporation, Amanda Garcia, agent for service of process
(via certified mail)

PROOF OF ACCEPTANCE (ELECTRONIC)

PRODUCED DATE: 08/03/2023

HAINES LAW GROUP:

The following is information for Certified Mail™/RRE item number:

9214 8901 9403 8324 8691 49

Our records indicate that this item was accepted by the USPS at:

SHIPMENT RECEIVED ACCEPTANCE PENDING EL SEGUNDO,CA 90245 08/02/2023

ORIGINAL INTENDED RECIPIENT:

WORLD OIL CORP

C/O: AMANDA GARCIA AGENT FOR SERVICE OF PROCESS

330 N BRAND BLVD STE 700

GLENDALE CA 91203-2336

JR



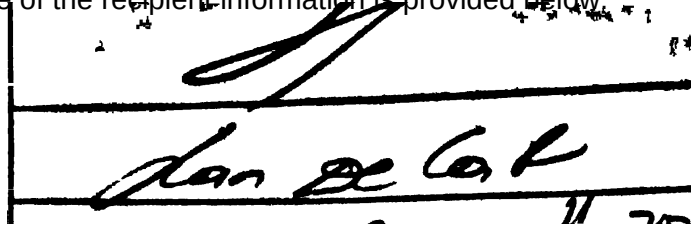
Mailer: Haines Law Group

Date Produced: 08/08/2023

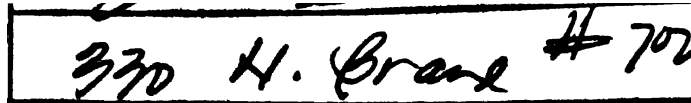
ConnectSuite Inc.:

The following is the delivery information for Certified Mail™/RRE item number 9214 8901 9403 8324 8691 49. Our records indicate that this item was delivered on 08/07/2023 at 07:49 a.m. in GLENDALE, CA 91209. The scanned image of the recipient information is provided below.

Signature of Recipient :

A scanned image of a handwritten signature, appearing to be "Dan de la", written on a lined background.

Address of Recipient :

A scanned image of a handwritten address, "330 N. Brand #700", written on a lined background.

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

This USPS proof of delivery is linked to the customers mail piece information on file as shown below:

WORLD OIL CORP
C/O: AMANDA GARCIA AGENT FOR SERVICE OF PROCESS
STE 700
330 N BRAND BLVD
GLENDALE CA 91203-2336

Customer Reference Number: C4368585.26092305

Return Reference Number JR

PROOF OF ACCEPTANCE (ELECTRONIC)

PRODUCED DATE: 08/14/2023

HAINES LAW GROUP:

The following is information for Certified Mail™/RRE item number:
9214 8901 9403 8326 1848 13

Our records indicate that this item was accepted by the USPS at:
ARRIVAL AT UNIT GLENDALE,CA 91205 08/14/2023

ORIGINAL INTENDED RECIPIENT:

WORLD OIL CORP
C/O: AMANDA GARCIA AGENT FOR SERVICE OF PROCESS
330 N BRAND BLVD SUITE 700
GLENDALE CA 91203-2308

JR

PROOF OF ACCEPTANCE (ELECTRONIC)

PRODUCED DATE: 08/14/2023

HAINES LAW GROUP:

The following is information for Certified Mail™/RRE item number:
9214 8901 9403 8326 1850 01

Our records indicate that this item was accepted by the USPS at:
ORIGIN ACCEPTANCE EL SEGUNDO,CA 90245 08/14/2023

ORIGINAL INTENDED RECIPIENT:

PAN PACIFIC PETROLEUM COMPANY INC
C/O: AMANDA GARCIA AGENT FOR SERVICE OF PROCESS
330 N BRAND BLVD STE 700
GLENDALE CA 91203-2336

JR



Mailer: Haines Law Group

Date Produced: 08/16/2023

ConnectSuite Inc.:

The following is the delivery information for Certified Mail™/RRE item number 9214 8901 9403 8326 1848 13. Our records indicate that this item was delivered on 08/15/2023 at 07:53 a.m. in GLENDALE, CA 91209. The scanned image of the recipient information is provided below.

Signature of Recipient :

A scanned image of a handwritten signature in black ink, appearing to read "Amanda Garcia", written over a horizontal line.

Address of Recipient :

A scanned image of a handwritten address in black ink, "330 N. Brand Blvd", written over a horizontal line.

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

This USPS proof of delivery is linked to the customers mail piece information on file as shown below:

WORLD OIL CORP
C/O: AMANDA GARCIA AGENT FOR SERVICE OF PROCESS
330 N BRAND BLVD, SUITE 700
GLENDALE CA 91203-2308

Customer Reference Number: C4390428.26240475

Return Reference Number JR



Mailer: Haines Law Group

Date Produced: 08/17/2023

ConnectSuite Inc.:

The following is the delivery information for Certified Mail™/RRE item number 9214 8901 9403 8326 1850 01. Our records indicate that this item was delivered on 08/16/2023 at 07:58 a.m. in GLENDALE, CA 91209. The scanned image of the recipient information is provided below.

Signature of Recipient :

Address of Recipient :

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

This USPS proof of delivery is linked to the customers mail piece information on file as shown below:

PAN PACIFIC PETROLEUM COMPANY INC
C/O: AMANDA GARCIA AGENT FOR SERVICE OF PROCESS
STE 700
330 N BRAND BLVD
GLENDALE CA 91203-2336

Customer Reference Number: C4390428.26240476

Return Reference Number JR

EXHIBIT E