

John G. Yslas (SBN 187324)
john.yslas@wilshirelawfirm.com
Arrash T. Fattahi (SBN 333676)
arrash.fattahi@wilshirelawfirm.com
Arman A. Salehi (SBN 351112)
arman.salehi@wilshirelawfirm.com
Giancarlo Recinos (SBN 282836)
giancarlo.recinos@wilshirelawfirm.com
WILSHIRE LAW FIRM, PLC
660 S. Figueroa Street, Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Attorneys for Plaintiffs

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF VENTURA**

CARLOS FRANCISCO LOPEZ, individually,
and on behalf of all others similarly situated,

Plaintiff,

v.

ADRIANA'S INSURANCE SERVICES INC., a
California corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No.: 2023CUOE013516

*[Assigned for all purposes to: Hon. Benjamin
F. Coats, Dept. 43]*

**DECLARATION OF JOHN G. YSLAS IN
SUPPORT OF PLAINTIFFS' MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT**

Preliminary Approval Hearing:

Date: September 18, 2026

Time: 8:30 a.m.

Dept.: 43

Complaint filed: August 31, 2023

Trial date: Not set

DECLARATION OF JOHN G. YSLAS

I, John G. Yslas, hereby declare as follows:

1. I am an attorney at law licensed to practice before all of the courts of the State of California. I am a senior partner at Wilshire Law Firm, PLC (“WLF”), counsel for Plaintiffs Carlos Francisco Lopez and Sunshine Miriam Gonzalez (collectively, the “Plaintiffs”) in this matter. I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein.

2. I submit this declaration in support of Plaintiffs’ Motion for Preliminary Approval of Class Action and PAGA Settlement.

Procedural History

3. On August 31, 2023, Plaintiff Lopez filed this putative class action against Defendants Adriana’s Insurance Services Inc. (“AIS”) alleging: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; and (8) unfair business practices.

4. On September 26, 2023, Plaintiff Lopez provided written notice to the LWDA and Defendants (amended on June 11, 2026) the specific provisions of the Labor Code alleged to have been violated, including the facts and theories in support. A true and correct copy of Plaintiff’s September 26, 2023, and June 11, 2026, letters to Defendants and the LWDA are attached hereto as **Exhibit 1**. The LWDA did not notify Plaintiff that intended to investigate within 65 days of this written notice. Therefore, on August 21, 2026, the Parties filed a Joint Stipulation for Leave to File a First Amended Class & Representative Action Complaint (“Joint Stipulation”) in this Class Action seeking to add a cause of action for civil penalties under PAGA, adding an additional named plaintiff—Sunshine Miriam Gonzalez—and adding Defendant AGI Business Group, Inc. (collectively with AIS, the “Defendants”) As of the filing of this Motion, the Parties had not received the signed copy of the Joint Stipulation. However, once the signed Joint Stipulation is received, Plaintiff will file the amended complaint.

5. On February 3, 2025, and again on September 3, 2025, the Parties participated in private full-day mediations with Todd Smith, Esq. The negotiations were adversarial, conducted at arm's length, and tempered by the efforts of both sides to serve the interests of their clients. The mediator made a proposal, which was accepted by the Parties.

6. The parties negotiated the terms of the Settlement over the next several months, which was finalized on July 14, 2026. A true and correct copy of the Parties' fully executed Class Action and PAGA Settlement Agreement ("Settlement Agreement") is attached hereto as **Exhibit 2**. Attached thereto as **Exhibit A** is a true and correct copy of the Parties' proposed Class Notice.

7. On August 26, 2026, Plaintiffs submitted a copy of the Settlement Agreement to the LWDA. A true and correct copy of the confirmation of submission my office received after submitting the Settlement Agreement to the LWDA is attached hereto as **Exhibit 3**.

Investigation and Exposure Analysis

8. Prior to attending mediation, Plaintiffs' Counsel thoroughly investigated the claims, applicable law, and potential defenses. Plaintiffs' Counsel assessed the value to the class claims using the data and documents that Defendants produced in informal discovery, including the number of Class Members, the number of workweeks in the Class Period, the number of pay periods in the PAGA Period, Plaintiffs' personnel file/documents concerning Plaintiffs, Defendants' employee handbook(s), Defendants' written wage-and-hour policies, job descriptions, and a random sampling of time and payroll records. Plaintiffs' Counsel engaged an expert consultant to quantify the potential exposure using the time and payroll records, and then assessed the risks associated with each claim meriting reductions in the likely success at class certification and likely recovery at trial.

9. Defendants' records show that there are approximately 668 Class Members, making joinder of all Class Members impracticable. Further, given the size and amount of each Class Members' claim, Class Members have little incentive to litigate their claims on an individual basis because the out-of-pocket expenses and personal commitment necessary to litigate each claim would likely outweigh any potential recovery.

10. Plaintiffs have alleged that Defendants maintained common employment policies and/or practices that unlawfully deprived Class Members of wages, meal period, rest periods,

1 reimbursements for business expenses, accurate wage statements, and timely payment of wages upon
2 separation of employment. These allegations present common factual and legal questions of, *inter*
3 *alia*, whether Defendants applied the same scheduling, timekeeping, pay, meal period, rest period,
4 and reimbursement policies to all Class Members, whether these policies and practices resulted in
5 Labor Code violations, whether Defendants' conduct was intentional, and whether Class Members
6 are entitled to damages and/or penalties. These common questions could be resolved using Class
7 Members' time records, payroll records, testimony from Defendants' designated representative(s),
8 and Class Members' testimony.

9 11. Although the exposure Plaintiffs' Counsel calculated is substantial, the various risks
10 at succeeding at class certification and through trial affected the valuation of the claims for settlement
11 purposes.

12 12. Minimum and Overtime Wages: Plaintiffs' unpaid minimum and overtime wage
13 claims were based on the allegation that Defendants required Class Members to perform work
14 duties while off the clock, without compensation. For example, Plaintiffs alleged that Defendants
15 required them and other Class Members to finish work-related tasks while clocked out. For
16 purposes of calculating Defendants' liability based on a best-case scenario for Plaintiffs and the
17 Class, Plaintiffs' Counsel assumed that all unpaid worktime should have been paid at the overtime
18 rate of pay and conservatively estimated that Defendants are liable for one-half hour (0.5 hours) of
19 unpaid worktime per workweek. This results in potential exposure for this claim of approximately
20 \$584,855.67 (43,012 workweeks x \$18.13 average hourly rate of pay x 0.5 hours/workweek x 1.5
21 overtime rate). Because this claim would have relied heavily on Class Member testimony and
22 would not be evidenced in Defendants' time and payroll records, the risk of succeeding at class
23 certification and trial was substantial. Accordingly, Plaintiffs' Counsel applied a risk discount
24 based on a 40% chance of succeeding at class certification and a 40% chance of succeeding at trial
25 on the merits, yielding a realistic damage estimate of approximately \$93,576.91 (\$584,855.67 x
26 40% x 40%).

27 13. Meal Periods: Plaintiffs' meal period claim was based on the allegation that
28 Defendants failed to provide Class Members with legally compliant meal periods or pay meal

1 period premiums in lieu thereof. For example, Plaintiffs alleged that Defendants required them and
2 other Class Members to perform work-related take during their meal periods. Additionally,
3 Plaintiffs' Counsel's expert consultant determined there was a 50% meal period violation rate from
4 the sampling of Defendants' time and payroll records, where meal periods were short, late, or
5 missed. Therefore, potential liability for the meal period claim is approximately \$1,996,928.85
6 (220,290 shifts over 5 hours x \$18.13 average hourly rate x 50% violation rate). After taking into
7 account the difficulty of certifying and proving meal period claims, as well as Defendants'
8 contention that the claim lacks merit and that a 50% violation rate is unrealistic, Plaintiffs' Counsel
9 discounted this figure based on a 50% chance of succeeding at class certification and a 40% chance
10 of succeeding at trial, yielding a realistic damage estimate of approximately \$399,385.77
11 (\$1,996,928.85 x 50% x 40%).

12 14. Rest Periods: Plaintiffs' rest period claim was based on the allegation that
13 Defendants failed to provide Class Members with legally compliant rest periods or pay rest period
14 premiums in lieu thereof. For example, Plaintiffs alleged that Defendants required them and other
15 Class Members to be on call during their work periods. Furthermore, Plaintiffs alleged that
16 Defendants required them and other Class members to perform work-related tasks during their rest
17 periods. Based on Plaintiffs' allegations and Plaintiffs' and other Class Members' experience
18 working for Defendants, Plaintiffs' Counsel applied a 100% violation rate to all qualifying shifts
19 during the Class Period. Therefore, Defendants' potential liability for the rest period claim is
20 approximately \$4,090,544.99 (225,623 shifts of 3.5 hours or longer x \$18.13 average hourly rate
21 x 100% violation rate). However, Plaintiffs' Counsel discounted this figure to account for the
22 difficulty of certifying and proving rest period claims, particularly because rest periods do not have
23 to be recorded, and to account for the possibility of Class Members voluntarily choosing to forego
24 a rest period. Because this claim would have relied exclusively on Class Member testimony,
25 Plaintiffs' Counsel discounted this claim based on a 30% chance of succeeding at class certification
26 and a 20% chance of succeeding at trial, yielding a realistic damage estimate of approximately
27 \$245,432.70 (\$4,090,544.99 x 30% x 20%).
28

1 15. Reimbursements: Plaintiffs' reimbursement claim was based on the allegation that
2 Defendants failed to indemnify Class Members for expenses incurred as a direct result of
3 performing their job duties for Defendants, such as mandatory use of personal cell phones for work
4 purposes. For purposes of calculating Defendants' liability based on a best-case scenario for
5 Plaintiffs and the Class, Plaintiffs' Counsel estimated that Defendants were liable to each Class
6 Member for \$6.25 per workweek in unreimbursed expenses, for a total amount of approximately
7 \$268,825.00 ($\$6.25 \times 43,012$ workweeks). However, Defendants argued that these expenses were
8 not required by Defendants, and that it could not have known that these expenses were being
9 incurred. Accordingly, Plaintiffs' Counsel discounted this claim based on a 30% chance of
10 succeeding at class certification and a 30% chance of succeeding at trial, yielding a realistic
11 damage estimate of approximately \$24,194.25 ($\$268,825.00 \times 30\% \times 30\%$).

12 16. In sum, Plaintiffs' Counsel estimated that Plaintiffs' maximum recovery for the off-
13 the-clock claim, meal period violations, and rest period violations (i.e., the wage claims) is
14 approximately \$6,672,329.51. However, after factoring in the risk and uncertainty of prevailing at
15 certification and trial, Plaintiffs' Counsel estimates that Plaintiffs' realistic, estimated recovery for
16 these non-penalty wage claims is approximately \$738,395.38.

17 17. Derivative Penalties: Plaintiffs alleged that as a result of Defendants' failure to pay
18 all wages owed, Defendants owed waiting time penalties and wage statement penalties. With
19 respect to Plaintiffs' derivative claims for statutory penalties, Plaintiffs' Counsel estimated that
20 Defendants' realistic potential liability is approximately \$141,444.60. Defendants' maximum
21 potential liability for waiting time penalties is approximately \$1,268,809.92 ($[486 \text{ employees} \times$
22 $\$18.13 \text{ average hourly rate of pay} \times 4.80 \text{ hours/day} \times 30 \text{ days}]$ based on approximately 486
23 formerly employed Class Members during the 3-year statute of limitations period and an average
24 shift length of 4.8 hours. Defendants' maximum potential liability for inaccurate wage statements
25 is approximately \$1,088,600.00 ($[366 \text{ employees} \times 1 \text{ initial violation/employee} \times \$50 \text{ for an initial}$
26 $\text{violation}] + [(11,069 \text{ pay periods} - 366 \text{ initial violations}) \times \$100 \text{ for each subsequent violation}]$).
27 In light of the foregoing, Plaintiffs' Counsel believes that it would be unrealistic to expect the
28 Court to award the full \$2,357,409.92 in statutory penalties given Defendants' defenses, the

1 contested nature of Plaintiffs' claims, the challenges of establishing willfulness as applicable, and
2 the discretionary nature of penalties. Considering that the underlying wage claims are realistically
3 estimated to be approximately \$738,395.38, such a disproportionate award would also raise due
4 process concerns. As such, Plaintiffs' counsel discounted these figures to account for the risk and
5 uncertainty of obtaining class certification and prevailing at trial, resulting in a realistic evaluation
6 of approximately \$76,128.60 for waiting time penalty claims ($\$1,268,809.92 \times 30\% \times 20\%$), and
7 approximately \$65,316.00 for wage statement penalty claims ($\$1,088,600.00 \times 30\% \times 20\%$), or
8 approximately \$141,444.60 total for statutory penalties.

9 18. PAGA: For the PAGA claim, Plaintiffs' Counsel determined that Defendants'
10 potential exposure could potentially reach \$1,106,900.00, assuming the initial \$100 penalty would
11 apply for each of the 11,069 pay periods in the PAGA Period. However, even assuming success
12 on the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of
13 reasons, including where to do otherwise would result in an award that is unjust, arbitrary and
14 oppressive, or confiscatory. As such, Plaintiffs' counsel discounted this figure to account for the
15 risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately
16 \$110,690.00 for PAGA penalties ($\$1,106,900.00 \times 10\%$). The settlement allocates \$50,000.00 of
17 the Gross Settlement Amount to PAGA. Therefore, the PAGA allocation amounts to 5.3% of the
18 Gross Settlement Amount and approximately 45% of the realistic maximum damages for PAGA
19 penalties ($\$50,000.00 / \$110,690.00$).

20 19. Using these estimated figures, Plaintiffs' Counsel predicted that the realistic
21 maximum recovery for all claims, including penalties, would be approximately \$1,014,724.23.
22 This means that the gross settlement figure represents approximately 93.6% of the realistic
23 maximum recovery figure ($\$950,000.00 / \$1,014,724.23$). Considering the risk and uncertainty of
24 prevailing at class certification and at trial, this is an excellent result for the Class. Indeed, because
25 of the proposed settlement, Class Members will receive timely, guaranteed relief and will avoid
26 the risk of an unfavorable judgment.

27 20. Based on the figures in the Settlement Agreement, the Net Settlement Amount
28 available for class settlement payments is currently estimated to be \$512,333.33 for approximately

668 Class Members. As a result, each Class Member would be eligible to receive an average net benefit of approximately \$766.97. Based on the estimated Net Settlement Amount available for individual class payments and there being approximately 43,012 workweeks in the Class Period, the estimated weekly valuation for Individual Class Payments is \$11.91 (\$512,333.33/ 43,012 workweeks).

Plaintiffs' Counsel's Qualifications

21. Plaintiffs are represented by WLF. The attorneys at WLF performed significant work and expended litigation costs in prosecuting this matter with no guarantee of payment.

22. WLF was selected by Best Lawyers and U.S. News & World Report as one of the nation's Best Law Firms since 2020 and is comprised of more than 100 attorneys and over 600 employees. WLF is actively and continuously practicing in employment litigation, representing employees in both individual and class actions in both state and federal courts throughout California.

23. WLF is qualified to handle this Litigation because its attorneys are experienced in litigating Labor Code violations in individual, class action, and representative action cases. WLF has handled, and is currently handling, numerous wage and hour class action lawsuits, as well as class actions involving consumer rights and data privacy litigation.

24. I graduated from the University of California, Santa Barbara with High Honors in 1991 with Bachelor of Arts degrees in Psychology. I received my Juris Doctor from UCLA Law School in 1996.

25. Upon graduating from law school in 1996, I worked for a boutique law firm practicing general litigation which included employment law matters. Since 2000 (that is, the last 25 years) my practice has been exclusively focused on labor and employment matters including handling wage and hour class, collective and representative actions (including the California Private Attorneys General Act, or "PAGA"), including in the international law firms of Morgan, Lewis & Bockius LLP (where I was a senior associate), Foley & Lardner LLP (where I was a partner and a national Vice Chair of the Labor and Employment Group), Norton Rose Fulbright LLP (where I was a partner) and Seyfarth Shaw LLP (where I was a partner and member of the Wage and Hour Practice Group). During my time at these law firms, I was the primary attorney or took a major leading role in

1 defending employers on numerous wage and hour class, collective and representative actions.

2 26. In late June 2022 I left Seyfarth Shaw LLP and joined my current firm, Wilshire Law
3 Firm, PLC, to represent plaintiff employees. I have been and am handling many wage and hour class
4 and representative actions litigating such matters on behalf of plaintiff employees in numerous
5 Superior Courts and District Courts. From matters representing both plaintiffs and defendants, I have
6 successfully mediated the resolution of many wage and hour class, collective, and representative
7 actions. Just since starting to settle cases in late April 2023 I have already successfully mediated
8 matters in which I have been counsel or co-counsel resulting in **over \$280 million** in settlements and
9 verdicts which are in the process of being finalized, and with numerous upcoming mediations
10 scheduled. In those and numerous other matters, I have managed and assisted with the litigation and
11 settlement of many wage and hour PAGA and class actions. In those actions, I performed similar
12 tasks as those performed in the course of prosecuting this action. Indeed, I recently tried and prevailed
13 in achieving a jury verdict in a certified wage and hour class action in the matter of *Aguilar-Flores*
14 *v. Javier's – CC LLC*, Los Angeles County Superior Court, Case No. 19STCV36438 (settled after
15 verdict).

16 27. I have received numerous awards for my legal work. For example, from 2015 to 2018,
17 I was listed in Los Angeles Super Lawyers for Employment Litigation (Thomson Reuters). I have
18 also served on numerous prominent boards and in other leadership positions, including serving as
19 Southern California Regional President for the Hispanic National Bar Association and on the board
20 of directors of the Mexican American Bar Foundation. I also previously served on the 5-member Los
21 Angeles Civil Service Commission, which generally oversees the personnel decisions for the City of
22 Los Angeles.

23 28. I have also published numerous blogs on labor and employment issues including on
24 wage and hour issues. For example, I published “Headline News: Wal-Mart v. Dukes-Impact on
25 Class Action Litigation” (while a partner with Foley & Lardner LLP) and “Are You Really Protected
26 From Wage-and-Hour Successor Liability in an Asset Purchase” (while a partner with Seyfarth Shaw
27 LLP). I have also been a presenter at numerous conferences, including being a presenter involving
28 the “Employment Law Update” at a National Employment Law Council conference.

29. Arrash T. Fattahi is a Partner at WLF. He was admitted to practice law in the State of California in 2021 and is also admitted to the United States District Courts for the Central, Southern, Eastern, and Northern Districts of California. He graduated from the University of California, Los Angeles with a Bachelor of Arts in Political Science, *summa cum laude*. He received his Juris Doctor from The George Washington University Law School. During law school, he was a member of the student editorial board for the Federal Circuit Bar Journal. His practice is focused on advocating for the rights of consumers and employees in class action litigation. He is currently the managing attorney in charge of litigating several class action cases in state and federal courts in California. He was selected as a “Southern California Rising Star” in 2025 and 2026.

30. Giancarlo A. Recinos is a Senior Attorney at WLF. He was admitted to practice law in the State of California in 2012 and is an active member in good standing with the State Bar of California. Mr. Recinos graduated from San Francisco State University with a Bachelor of Arts in Communications and received his Juris Doctor from Southwestern Law School. For over a decade, his practice has focused on employment law and wage -and-hour compliance.

31. Arman A. Salehi is a third-year Associate Attorney at Wilshire Law Firm, PLC. He was admitted to practice law in the State of California in 2023. Mr. Salehi graduated from the University of California, Los Angeles with a Bachelor of Arts in Sociology. He received his Juris Doctor from the University of California College of the Law, San Francisco (formerly known as U.C. Hastings). Since November 2023, his practice has mainly been focused on wage and hour class action litigation.

No Conflicts

32. WLF has no actual or potential conflicts of interest with Class Members or the proposed Administrator, Phoenix Class Action Administration

33. WLF is not aware of any pending matter or action against Defendants that may be extinguished or adversely affected by this Settlement.

Administrator

34. Plaintiffs’ Counsel sought multiple bids to administer this Settlement. The Parties selected the bid with the lowest cost, which was from Phoenix Class Action Administration. A true

1 and correct copy of the will-not-exceed bid from Phoenix Class Action Administration to administer
2 this Settlement is attached hereto as **Exhibit 4**.

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

5 Executed on August 26, 2026 at Los Angeles, California.

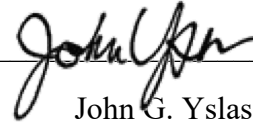
6
7 
8 John G. Yslas

EXHIBIT 1

WILSHIRE LAW FIRM, PLC

3055 Wilshire Blvd, 12th Floor
Los Angeles, CA 90010
Tel: (213) 381-9988
Fax: (213) 381-9989
www.wilshirelawfirm.com



Bobby Saadian, Esq. JD/MBA

Colin M. Jones, Esq.
Justin F. Marquez, Esq.
John G. Yslas, Esq.
Jon Teller, Esq.
Johnny Ogata, Esq.
Tae Kim, Esq.

Benjamin H. Haber, Esq.
Christina M. Le, Esq.
Daniel Kramer, Esq.
Arsiné Grigoryan, Esq.
Arrash T. Fattahi, Esq.
Zachary D. Greenberg, Esq.
Aram Boyadjian, Esq.

September 26, 2023

LWDA

Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
(Via Online Submission)

Adriana's Insurance Services Inc.
9445 Charles Smith Avenue
Rancho Cucamonga, CA 91730
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6498 8250 15

Richard Streza
Agent for Service of Process for:
Adriana's Insurance Services Inc.
40 Pacifica, Suite 1500
Irvine, CA 92618
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6498 8250 22

Re: ***Carlos Francisco Lopez v. Adriana's Insurance Services Inc.***
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Carlos Francisco Lopez ("Plaintiff") to pursue a Labor Code Private Attorneys General Act ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against his former employer, Adriana's Insurance Services Inc. ("Defendant"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Defendant engaged in with respect to Plaintiff and all of Defendant's Aggrieved Employees.

Plaintiff wishes to pursue this action on behalf of himself as an aggrieved employee, on behalf of the State of California, as well as on behalf of all other persons who worked for Defendant in California as a non-exempt or hourly-paid employee at any time within the applicable statutory period (hereafter, the "Aggrieved Employees").

Plaintiff and the Aggrieved Employees suffered the Labor Code violations described below.

Plaintiff's Employment with Defendant

Defendant owns/owned and operates/operated an industry, business, and establishment within the State of California, including Ventura County. As such, and based upon all the facts and circumstances incident to Defendant's business in California, Defendant is subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission ("IWC"), and the California Business & Professions Code.

Plaintiff CARLOS FRANCISCO LOPEZ is a resident of Ventura County, California who worked for Defendant in Ventura County, California as an hourly-paid, non-exempt employee from approximately June 2023 to approximately July 2023. Defendant typically scheduled Plaintiff to work at least five days in a workweek and at least eight hours per day, but Plaintiff regularly worked more than eight hours in a workday and/or more than forty (40) hours in a workweek.

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

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

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

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

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

Throughout the statutory period, Defendant maintained a policy and practice of not paying Plaintiff and the Aggrieved Employees for all hours worked, including minimum, straight time, and overtime wages. Defendant required Plaintiff and the Aggrieved Employees to work "off-the-clock," uncompensated, by, for example, requiring Plaintiff and the Aggrieved Employees to perform work prior to clocking in for the workday and after clocking out for the workday. Some

of this unpaid work should have been paid at the overtime rate. In failing to pay for all hours worked, Defendant also failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked.

Throughout the statutory period, Defendant wrongfully failed to include non-discretionary bonuses, commissions, incentive pay, production pay, performance pay, and/or shift differentials in the calculation of Plaintiff's and the other Aggrieved Employees' regular rate of pay used to calculate their overtime rate for the payment of overtime wages. Plaintiff and the other Aggrieved Employees earned non-discretionary bonuses, commissions, incentive pay, production pay, performance pay, and/or shift differentials in the same pay periods where they worked overtime hours. Accordingly, Defendant failed to compensate Plaintiff and the Aggrieved Employees for all overtime compensation they were owed.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Despite these legal requirements, Defendant wrongfully failed to provide Plaintiff and the Aggrieved Employees with legally compliant meal periods. Defendant regularly, but not always, required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, uninterrupted, and duty-free meal period for every five hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Instead, Defendant continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Plaintiff and the Aggrieved Employees permission to take a meal period. Additionally, Defendant had a policy and practice of automatically deducting at least thirty (30) minutes from each shift worked by Plaintiff and the Aggrieved Employees even though they actually worked during this time. Accordingly, Defendant's policy and practice was not to provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not provided with all required meal period(s). Defendant,

however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

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

Throughout the statutory period, Defendant has wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take legally compliant rest periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendant authorizing and permitting them to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Instead, Defendant continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or by denying Plaintiff and the Aggrieved Employees permission to take a rest period. Accordingly, Defendant's policy and practice was to not authorize and permit Plaintiff and the Aggrieved Employees to take rest periods in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiff and the Aggrieved Employees for all wages as discussed above, Defendant also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month.

Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, during all such times, Defendant systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owes employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

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

Defendant, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Plaintiff and the Aggrieved Employees.

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

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages

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

Within the applicable statute of limitations, the employment of Plaintiff and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the employment of others will be terminated. However, during the relevant time period, Defendant failed, and continues to fail to pay Plaintiff and terminated Aggrieved Employees, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Defendant's employment. These unpaid wages include wages for unpaid work time (including minimum, straight time, and overtime wages), missed meal period premium wages, and missed rest period premium wages.

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

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

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

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

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

Throughout the statutory period, Defendant failed to furnish Plaintiff and the Aggrieved Employees with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

Because Defendant violated Labor Code § 226, Plaintiff and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights. Accordingly, Plaintiff and similarly Aggrieved Employees are entitled to recover from Defendant the greater of their actual damages caused by Defendant’s failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars (\$4,000) per employee.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to furnish accurate itemized wage statements.

Failure to Indemnify for Necessary Expenditures

Labor Code § 2802(a) provides that employers shall indemnify his or her employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statute of limitations period applicable to this cause of action, Defendant wrongfully required Plaintiff and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendant. Plaintiff and the Aggrieved Employees regularly paid out-of-pocket for necessary employment-related expenses, including, without limitation, use of personal cell phones. Plaintiff and the Aggrieved Employees incurred substantial expenses as a direct result of performing their job duties for Defendant, but Defendant failed to indemnify Plaintiff and the Aggrieved Employees for these employment-related expenses.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify Plaintiff and the Aggrieved Employees for necessary business expenditures.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiff alleges that Defendant violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

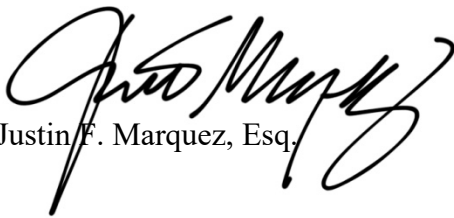
1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to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

Therefore, on behalf of all Aggrieved Employees, Plaintiff seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 1174.5, 1197.1, and 2699(f)(2).

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

Sincerely,

WILSHIRE LAW FIRM



Justin F. Marquez, Esq.

**WILSHIRE LAW FIRM,
PLC**

660 S. Figueroa St., Sky Lobby
Los Angeles, CA 90017
Tel: (213) 381-9988
Fax: (213) 381-9989
wilshirelawfirm.com



Sean Paisan, Esq.
John Yslas, Esq.
Tyler Woods, Esq.
Nicol Hajjar, Esq.
Thiago Coelho, Esq.
Benjamin Haber, Esq.
Arrash Fattahi, Esq.

June 11, 2026

LWDA
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
(Via Online Submission)

Adriana's Insurance Services Inc.
9445 Charles Smith Avenue
Rancho Cucamonga, CA 91730
(Via Certified Mail, Return Receipt Requested)
#

Richard Streza
Agent for Service of Process for:
Adriana's Insurance Services Inc.
40 Pacifica, Suite 1500
Irvine, CA 92618
(Via Certified Mail, Return Receipt Requested)
#

AGI Business Group, Inc.
9445 Charles Smith Avenue
Rancho Cucamonga, CA 91730
(Via Certified Mail, Return Receipt Requested)
#

Richard Streza
Agent for Service of Process for:
AGI Business Group, Inc.
9445 Charles Smith Avenue
Rancho Cucamonga, CA 91730
(Via Certified Mail, Return Receipt Requested)
#

Re: **Carlos Francisco Lopez, et al. v. Adriana's Insurance Services Inc., et al.
Amended Notice of Labor Code Violations and PAGA Penalties**

To Whom It May Concern:

Please be advised that my office has been retained by Carlos Francisco Lopez and Sunshine Miriam Gonzalez ("Plaintiffs") to pursue a Labor Code Private Attorneys General Act ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against their former employers, Adriana's Insurance Services Inc. and AGI Business Group, Inc. ("Defendants"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Defendants engaged in with respect to Plaintiffs and all of Defendants' Aggrieved Employees.

This letter amends Plaintiff Carlos Francisco Lopez's September 26, 2023 letter, including, but not limited to, the addition of an additional Defendant, AGI Business Group, Inc.

Plaintiffs wish to pursue this action on behalf of themselves as aggrieved employees, on behalf of

the State of California, as well as on behalf of all other persons who worked for Defendants in California as a non-exempt or hourly-paid employee at any time within the applicable statutory period (hereafter, the “Aggrieved Employees”).

Plaintiffs and the Aggrieved Employees suffered the Labor Code violations described below. . Based on the following facts and theories, Defendants have violated and/or continue to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 200, 201-203, 204, 206, 210, 216, 218, 218.5, 218.6, 221, 226, 226.3, 226.7, 256, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198 *et seq.*, 1198.5, 1199, 2698 *et seq.*, 2699 *et seq.*, 2800, 2802, and all applicable IWC Wage Orders, including but not limited to Wage Order No. 4, and the equivalent regulation sections, including 8 CCR sections 11040.

Plaintiffs’ Employment with Defendant

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

Plaintiffs worked for Defendants in Ventura County, California as hourly-paid, non-exempt employees. Defendants typically scheduled Plaintiffs to work at least five days in a workweek and at least eight hours per day, but Plaintiffs regularly worked more than eight hours in a workday and/or more than forty (40) hours in a workweek.

Throughout Plaintiffs’ employment, Defendants failed to pay for all hours worked (including minimum, straight time, regular, and overtime wages), failed to provide Plaintiffs with legally compliant meal periods, failed to authorize and permit Plaintiffs to take rest periods, failed to timely pay all final wages to Plaintiffs when Defendants terminated their employment, failed to timely pay all wages during employment, failed to maintain accurate records, unlawful deductions, failed to furnish accurate wage statements to Plaintiffs, and failed to indemnify Plaintiffs for expenditures. As discussed below, Plaintiffs’ experience working for Defendants was typical and illustrative.

Defendants Failed to Pay for All Hours Worked, Including Minimum, Straight Time, Regular, and Overtime Wages

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

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

Labor Code §§ 1182.12, 1194, 1197, 1197.1, and 1198, *et seq.* require employers to pay employees the minimum wage fixed by the IWC. The payment of a lesser wage than the minimum so fixed is unlawful. Labor Code § 1197 provides, “The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.” Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198, *et seq.* states that the employment of an employee for longer hours than those fixed by the IWC is unlawful. Labor Code § 216 declares unlawful an employer’s refusal to pay wages due and payable and/or denial of the validity of any claim to wages due. The applicable IWC Wage Order also provide that Defendants are and were required to pay Plaintiffs and the Aggrieved Employees employed by Defendants at the rate of time-and-one-half for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek. The applicable IWC Wage Order further provides that Defendants are and were required to pay Plaintiffs and Aggrieved Employees overtime compensation at a rate of two times their regular rate of pay for all hours worked in excess of twelve (12) hours in a day and for all hours worked in excess of eight (8) hours on the seventh day of work in a workweek.

Throughout the statutory period, Defendants failed to pay Plaintiffs and Aggrieved Employees at the required minimum wage rate for all hours as required by California law. Defendants also required employees to work in excess of eight hours in a day, and/or in excess of 40 hours in a week, and did not compensate them at the overtime rate of pay.

Also, Defendants maintained a policy and practice of not paying Plaintiffs and the Aggrieved Employees for all hours worked, including minimum, straight time, regular, and overtime wages. Defendants required Plaintiffs and the Aggrieved Employees to work “off-the-clock,” uncompensated, by, for example, requiring Plaintiffs and the Aggrieved Employees to perform work prior to clocking in for the workday, including logging on and attending weekly meetings, and after clocking out for the workday, including scheduling interviews and completing work assignments. Indeed, Defendants prohibited overtime, but required Plaintiffs and Aggrieved Employees to still complete all their assigned duties and, to do so, required Plaintiffs and Aggrieved Employees to work off-the-clock. Plaintiffs and the Aggrieved Employees were also required to perform work off-the-clock during meal periods, including responding to Defendants and other work requests, resulting in unpaid wages. Some of this unpaid work should have been paid at the overtime rate, and thus also resulted in a failure to pay overtime compensation. In failing to pay for all hours worked, Defendants also failed to maintain accurate records of the hours Plaintiffs and the Aggrieved Employees worked.

In addition, Defendants engaged in rounding practices that resulted in systematic underpayment of wages, including minimum, straight time, regular, and overtime wages. Defendants’ rounding policy was not neutral and rounded time in favor of Defendants. Further, Defendants implemented

policies that prohibited Plaintiffs and the Aggrieved Employees from accurately recording their actual time worked. This also resulted in Plaintiffs and the Aggrieved Employees not being paid all wages owed. Defendants also failed to provide Plaintiffs and the Aggrieved Employees with adequate training as to the payment of minimum and overtime compensation.

Throughout the statutory period, Defendants wrongfully failed to include all remuneration, including but not limited to non-discretionary bonuses, commissions, incentive pay, production pay, performance pay, and/or shift differentials in the calculation of Plaintiffs' and the other Aggrieved Employees' regular rate of pay used to calculate their overtime rate for the payment of overtime wages. Plaintiffs and the other Aggrieved Employees earned non-discretionary bonuses, commissions, incentive pay, production pay, performance pay, and/or shift differentials in the same pay periods where they worked overtime hours. Accordingly, Defendants failed to accurately compensate Plaintiffs and the Aggrieved Employees for all overtime compensation they were owed.

Defendants also wrongfully failed to include all remuneration, including but not limited to non-discretionary bonuses, commissions, incentive pay, production pay, performance pay, and/or shift differentials in the calculation of Plaintiffs' and the other Aggrieved Employees' regular rate of pay used to calculate their sick pay. Accordingly, Defendants failed to accurately compensate Plaintiffs and the Aggrieved Employees for all sick pay that they were owed.

Based on the foregoing, Defendants violated California Labor Code §§ 204, 216, 510, 1182.12, 1194, 1197, 1197.1, 1198, *et seq.* and the applicable IWC Wage Orders. As a result, Defendants are liable to Plaintiffs and the Aggrieved Employees for unpaid wages, compensation pursuant to Labor Code § 1194, and the civil penalties provided for in Labor Code §§ 210, 558, 1197.1, 1199, and 2699(f)(2), as well as the applicable IWC Wage Orders, for failing to pay for all hours worked, including minimum, straight time, regular, and overtime wages.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Labor Code §§ 226.7, 512; § 11 of all applicable Wage Orders; *Brinker Rest. Corp. v. Super Ct. (Hohnbaum)* (2012) 53 Cal.4th 1004. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s). Labor Code §226.7; § 11 of all applicable Wage Orders.

Despite these legal requirements, Defendants wrongfully failed to provide Plaintiffs and the Aggrieved Employees with legally compliant meal periods. Defendants regularly, but not always, required Plaintiffs and the Aggrieved Employees to work in excess of five consecutive hours a day without providing at least a 30-minute, uninterrupted, timely, and duty-free meal period, or without

compensating Plaintiffs and the Aggrieved Employees with a full meal period premium at the regular rate of pay for meal periods that were not provided. In addition, Defendants regularly required Plaintiffs and the Aggrieved Employees to work in excess of ten consecutive hours a day without providing at least a 30-minute, uninterrupted, timely, and duty-free meal period, or without compensating Plaintiffs and the Aggrieved Employees with a full meal period premium at the regular rate of pay for meal periods that were not provided.

Instead, Defendants continued to assert control over Plaintiffs and the Aggrieved Employees during their meal periods. Defendants required, pressured, or encouraged Plaintiffs and the Aggrieved Employees to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, denied Plaintiffs and the Aggrieved Employees permission to take a meal period, failed to permit a reasonable opportunity to take meal periods, failed to ensure there was adequate staffing to permit Plaintiffs and the Aggrieved Employees to take meal periods, required Plaintiffs and the Aggrieved Employees to work during their meal periods, required Plaintiffs and the Aggrieved Employees to take their meal periods after the fifth hour of work, required Plaintiffs and the Aggrieved Employees to remain on-call and respond to work requests (including via phone calls or in-person interruptions) during meal periods, and discouraged Plaintiffs and the Aggrieved Employees from taking compliant meal periods. Defendants also interrupted and cut Plaintiffs and Aggrieved Employees' meal periods short. Defendants also failed to inform and train Plaintiffs and the Aggrieved Employees as to their right to take meal periods and their right to premium wages for non-compliant meal periods. Defendants also did not have legally compliant policies regarding meal periods or disregarded their own policies regarding meal periods and Defendants' management failed and refused to implement and enforce legally compliant meal period policies and practices. Instead, Defendant had a policy and practice of scheduling Plaintiffs and Aggrieved Employees in such a way that prohibited them from taking compliant meal periods or otherwise required Plaintiffs and Aggrieved Employees to work through meal periods without pay. Defendants' policy and culture also prevented Plaintiffs and Aggrieved Employees from taking compliant meal periods because of the priority placed on completing work requirements over taking meal periods.

Additionally, Defendants had a policy and practice of automatically deducting at least thirty (30) minutes from each shift worked by Plaintiffs and the Aggrieved Employees even though they actually worked during this time. Accordingly, Defendants' policy and practice was not to provide meal periods to Plaintiffs and the Aggrieved Employees in compliance with California law. Furthermore, Defendants failed to maintain accurate records of the meal periods taken by Plaintiffs and the Aggrieved Employees.

Plaintiffs and the Aggrieved Employees are thus entitled to be paid one hour of additional wages at their regular rate of pay for each workday he or she was not provided with all fully-compliant meal period(s). Defendants, however, regularly failed to pay Plaintiffs and the Aggrieved Employees the one hour of additional pay at the regular rate of pay to which they were entitled for

meal periods that were missed, late, interrupted, and/or short. Further, for any meal period premiums paid, Defendants failed to accurately calculate the regular rate of pay for meal period premium wages by failing to include all remuneration for employment paid to, or on behalf of, the employee, including but not limited to non-discretionary bonuses, commissions, incentive pay, production pay, performance pay, and/or shift differentials.

Based on the foregoing, Defendants violated California Labor Code §§ 216, 226.7, 512, 1198, *et seq.* and the applicable IWC Wage Orders. As a result, Defendants are liable to Plaintiffs and the Aggrieved Employees for unpaid wages and the civil penalties provided for in Labor Code §§ 210, 558, 1199, and 2699(f)(2), as well as the applicable IWC Wage Orders, for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of ten uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours). Labor Code § 226.7; § 12 of all applicable Wage Orders. Thus, for example, if an employee's work time is six hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws. If the employer fails to authorize or permit a required rest period, the employer must pay the employee one (1) hour of pay at the employee's regular rate of pay for each workday the employer did not authorize or permit a legally required rest period. Labor Code section 226.7; § 12 of all applicable Wage Orders.

Throughout the statutory period, Defendants have wrongfully failed to authorize and permit Plaintiffs and the Aggrieved Employees to take timely, duty-free, and legally compliant rest periods. Defendants regularly required Plaintiffs and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendants authorizing and permitting them to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiffs and the Aggrieved Employees with a full rest period premium at the regular rate of pay for rest periods that were not authorized or permitted. Defendants also required Plaintiffs and the Aggrieved Employees to work more than six hours in a day without a second uninterrupted, duty-free rest period, and required Plaintiffs and the Aggrieved Employees to work more than ten hours without a third uninterrupted, duty-free rest period.

Instead, Defendants required Plaintiffs and Aggrieved Employees to work during rest periods and continued to assert control over Plaintiffs and the Aggrieved Employees during rest periods. Defendants required, pressured, or encouraged Plaintiffs and the Aggrieved Employees to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, denied Plaintiffs and the Aggrieved Employees permission to take a rest period, failed to permit a reasonable opportunity to take rest periods, failed to ensure there was adequate staffing to permit Plaintiffs and the Aggrieved Employees to take rest periods, required Plaintiffs and the Aggrieved

Employees to remain on-call and respond to work requests (including via phone calls or in-person interruptions) during rest periods, and discouraged Plaintiffs and the Aggrieved Employees from taking compliant rest periods. Defendants also interrupted and cut Plaintiffs and Aggrieved Employees' rest periods short. Defendants also failed to inform and train Plaintiffs and the Aggrieved Employees as to their right to take rest periods and their right to premium wages for non-compliant rest periods. Defendants also did not have legally compliant policies regarding rest periods or disregarded their own policies regarding rest periods and Defendants' management failed and refused to implement and enforce legally compliant rest period policies and practices. Instead, Defendant had a policy and practice of scheduling Plaintiffs and Aggrieved Employees in such a way that prohibited them from taking compliant rest periods or otherwise required Plaintiffs and Aggrieved Employees to work through rest periods. Defendants' policy and culture also prevented Plaintiffs and Aggrieved Employees from taking compliant rest periods because of the priority placed on completing work requirements over taking rest periods. Accordingly, Defendants' policy and practice was to not authorize and permit Plaintiffs and the Aggrieved Employees to take rest periods in compliance with California law.

Plaintiffs and the Aggrieved Employees are thus entitled to be paid one hour of additional wages at the regular rate of pay for each workday he or she was not authorized and permitted to take all fully-compliant rest period(s). Defendants, however, regularly failed to pay Plaintiffs and the Aggrieved Employees the one hour of additional pay at the regular rate of pay to which they were entitled for rest periods that were missed, late, interrupted, and/or short and that they were not authorized and permitted to take. Further, for any rest period premiums paid, Defendants failed to accurately calculate the regular rate of pay for meal period premium wages by failing to include all remuneration for employment paid to, or on behalf of, the employee, including but not limited to non-discretionary bonuses, commissions, incentive pay, production pay, performance pay, and/or shift differentials.

Based on the foregoing, Defendants violated California Labor Code §§ 216, 226.7, 1198, *et seq.* and the applicable IWC Wage Orders. As a result, Defendants are liable to Plaintiffs and the Aggrieved Employees for unpaid wages and the civil penalties provided for in Labor Code §§ 210, 558, 1199, and 2699(f)(2), as well as the applicable IWC Wage Orders, for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiffs and the Aggrieved Employees for all wages as discussed above, Defendants also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Specifically, California Labor Code § 204 provides that all wages earned by any person in any employment between the 1st and 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and 26th day

of the month during which the labor was performed. Similarly, Labor Code § 204 provides that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. Labor Code § 204 also provides that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period.

Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month for all wages owed to them, including, but not limited to, all meal period premium wages owed, rest period premium wages owed, minimum and straight time wages, and wages owed for overtime hours worked. However, during all such times, Defendants systematically failed and refused to pay the employees all wages due, and failed to pay those wages within any time period permissible under Labor Code § 204, including failure to pay all wages for all meal periods not provided by Defendants, all wages for all rest periods not authorized and permitted by Defendants, and all wages for all hours worked. As a result, Defendants owe employees the legally required wages for unpaid wages, and Plaintiffs and the Aggrieved Employees suffered damages in those amounts.

Moreover, Defendants are liable to Plaintiffs and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210, 1199, and 2698, *et seq.*, as well as the applicable IWC Wage Orders, for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records

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

Defendants, however, failed to maintain accurate records, including accurate payroll records, as well as accurate records of work periods, total daily hours worked, hours per pay period, applicable pay rates, hours worked and all meal periods taken or missed by Plaintiffs and the Aggrieved Employees.

Defendants' failure to provide and maintain records required by the California Labor Code and the applicable IWC Wage Orders deprived Plaintiffs and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendants' records. Therefore, Plaintiffs and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendants. As a direct result, Plaintiffs and the Aggrieved

Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendants to fully perform its obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Defendants' knowing failure to comply with the California Labor Code and applicable IWC Wage Orders, Plaintiffs and the Aggrieved Employees have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

Based on the foregoing, Defendants violated California Labor Code §§ 1198.5, 1174, and the applicable IWC Wage Orders. Defendants are liable to Plaintiffs and the Aggrieved Employees for the civil penalties provided for in Labor Code § 1174.5 and 2698, *et seq.*, as well as the applicable IWC Wage Orders.

Failure to Timely Pay All Wages at Termination

Cal. Lab. Code § 200 provides that "As used in this article: . . . (d) "Wages" includes all amounts for labor performed by employees of every description, whether the amount is fixed or ascertained by the standard of time, task, piece, Commission basis, or other method of calculation; (e) "Labor" includes labor, work, or service whether rendered or performed under contract, subcontract, partnership, station plan, or other agreement if the to be paid for is performed personally by the person demanding payment."

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

Within the applicable statute of limitations, the employment of Plaintiffs and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the employment of others will be terminated. However, during the relevant time period, Defendants failed, and continue to fail to pay Plaintiffs and terminated Aggrieved Employees, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Defendants' employment. These unpaid wages include, but are not limited to, minimum, straight time, regular, and overtime wages, missed meal period premium wages, and missed rest period premium wages as a result of Defendants' practices, for example, requiring employees to work off-the-clock, failing to pay overtime, failing to properly calculate the regular rate, and failing to accurately record all hours worked.

Defendants' conduct violates Labor Code §§ 201 and 202. Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate

until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days. Labor Code section 256 states that “[t]he Labor Commissioner shall impose a civil penalty in an amount not exceeding 30 days pay as waiting time under the terms of Section 203.”

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

Moreover, Defendants are liable to Plaintiffs and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 203, 210, 256, 1199, and 2699(f)(2) for failing to timely pay all wages at termination.

Unlawful Deductions

Labor Code §221 states, “It shall be unlawful for any employer to collect or receive from an employee any part of wages theretofore paid by said employer to said employee.”

Labor Code § 225.5 provides that “every person who unlawfully withholds wages 6 due to any employee in violation of Section 212, 216, 221, 222, or 223 shall be subject to a civil 7 penalty as follows: (a) For any initial violation, one hundred dollars (\$100) for each failure to pay 8 each employee. (b) For each subsequent violation, or any willful or intentional violation, two hundred dollars (\$200) for each failure to pay each employee, plus twenty-five percent (25%) of the amount unlawfully withheld.” Plaintiffs and Aggrieved Employees seek civil penalties pursuant to Labor Code §§ 225.5 and 2699 for violations of Labor Code §§ 221. Further, pursuant to Labor Code § 225, violation of any provision of section 221 is a misdemeanor.

Based on the foregoing, Defendants are liable to Plaintiffs and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 225.5 and 2698, *et seq.*, as well as the applicable IWC Wage Orders, for unlawful deductions.

Failure to Furnish Accurate Itemized Wage Statements

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

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

Throughout the statutory period, Defendants failed to furnish Plaintiffs and the Aggrieved Employees with accurate, itemized wage statements showing all categories of information required under Labor Code § 226(a). The deficiencies include failure to include all applicable hourly rates in effect during the pay period and the number of hours worked at each hourly rate, the total number of hours worked, all gross wages earned and all net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law), the inclusive dates of the pay period, the number of piece-rate units paid and any applicable piece rate, all deductions, the name of the employee and their social security number, and the name and address of the legal entity of the employer.

Because Defendants violated Labor Code § 226, Plaintiffs and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights. Accordingly, Plaintiffs and similarly Aggrieved Employees are entitled to recover from Defendants the greater of their actual damages caused by Defendants’ failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars (\$4,000) per employee.

Moreover, Defendants are liable to Plaintiffs and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 226.3 and 2698, *et seq.* for failing to furnish accurate itemized wage statements.

Failure to Indemnify for Necessary Expenditures

Pursuant to Labor Code §§ 2800 and 2802(a), employers shall indemnify his or her employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Moreover, the applicable IWC Wage Orders require employers to provide employees with the tools and equipment necessary for the performance of their job. Throughout the statute of limitations period applicable to this cause of action, Defendants wrongfully required Plaintiffs and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendants. Plaintiffs and the Aggrieved Employees regularly paid out-of-pocket for necessary employment-related expenses, including, without limitation, use of personal cell phones and use of personal vehicles, including gas and mileage. Plaintiffs and the Aggrieved Employees were required to use their personal cellphones daily for work-related communications and required to use their personal vehicles, including, for example, when traveling between job locations. Plaintiffs and the Aggrieved Employees incurred substantial

expenses as a direct result of performing their job duties for Defendants, but Defendants failed to indemnify Plaintiffs and the Aggrieved Employees for these employment-related expenses.

As a result, Defendants are liable to Plaintiffs and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 2800, 2802 and 2699(f)(2), as well as the applicable IWC Wage Orders, for failing to indemnify Plaintiffs and the Aggrieved Employees for necessary business expenditures.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiffs allege that Defendants violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

1. Labor Code § 204, 510, 1182.12, 1194, 1197, 1197.1, and 1198 *et seq.* and applicable Wage Orders by failing to pay for all hours worked, including minimum wages, straight time wages, regular wages, and overtime wages, as well as reporting time wages;
2. Labor Code § 226.7, 512, 1198 *et seq.*, and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7, 1198 *et seq.* and applicable Wage Orders by failing to authorize and permit rest periods;
4. Labor Code § 204 and applicable Wage Orders by failing to pay all earned wages two times per month during employment;
5. Labor Code § 1174, 1174.5, 1198.5, and applicable Wage Orders by failing to maintain accurate records;
6. Labor Code §§ 201 to 203 and applicable Wage Orders by willfully failing to pay all wages owed at termination;
7. Labor Code §§ 221, 225.5 and applicable Wage Orders due to unlawful deductions and withholdings;
8. Labor Code § 226 and applicable Wage Orders by failing to provide accurate itemized wage statements; and
9. Labor Code §§ 2800, 2802 and applicable Wage Orders by failing to indemnify for necessary expenditures.

Therefore, on behalf of all Aggrieved Employees, Plaintiffs seek applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 203, 210, 225.5, 226, 226.3, 256, 558, 1174.5, 1194.2, 1197.1, 1199, and 2699 and any and all additional penalties and sums provided by the California Labor Code and/or other statutes.

LWDA

Amended Notice of Labor Code Violations and PAGA

June 11, 2026

Page 13 of 13

California Labor Code section 218 states that nothing in Article 1 of the Labor Code shall limit the right of any wage claimant to "sue directly ... for any wages or penalty due to him [or her] under this article." Moreover, Labor Code section 206 provides that, in the case of a dispute over wages, "the employer shall pay, without condition and within the time set by this article, all wages, or parts thereof, conceded by him to be due, leaving to the employee all remedies he might otherwise be entitled to as to any balance claimed." As such, Plaintiffs and Aggrieved Employees are authorized to pursue any wages or penalties owed to them.

Plaintiffs will seek all attorneys' fees, interest, and costs of suit as permitted under PAGA, the Labor Code, including sections 218.5 and 1194, and California Code of Civil Procedure section 1021.5. Plaintiffs and Aggrieved Employees are entitled to an award of interest on all due and unpaid wages, pursuant to Labor Code section 218.6. Plaintiffs and Aggrieved Employees will also pursue to recover all applicable liquidated damages, including pursuant to California Labor Code section 1194.2.

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

Sincerely,

WILSHIRE LAW FIRM

A handwritten signature in black ink, appearing to read 'Arrash T. Fattahi', written over a horizontal line.

Arrash T. Fattahi, Esq.

EXHIBIT 2

**CLASS AND PAGA REPRESENTATIVE ACTION
SETTLEMENT AGREEMENT AND CLASS NOTICE**

This Class and PAGA Representative Action Settlement Agreement (“Agreement”) is made by and between Plaintiffs Carlos Francisco Lopez and Sunshine Miriam Gonzalez (together, the “Plaintiffs”) and Defendants Adriana’s Insurance Services Inc. (“AIS”) and AGI Business Group, Inc. (“AGI”) (collectively, “Defendants”). The Agreement refers to Plaintiffs and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means Plaintiff Lopez’s lawsuit alleging wage and hour violations against Defendants captioned Carlos Francisco Lopez v. Adriana’s Insurance Services Inc., et al., Ventura County Superior Court, Case No. 2023CUOE013516, filed on August 31, 2023.
- 1.2. “Administrator” means Phoenix Class Action Administration the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means a non-exempt employee who is or was employed by either of the Defendants (Adriana’s Insurance Services Inc. and/or AGI Business Group, Inc.) within the State of California at any time during the PAGA Period.
- 1.5. “Class Counsel” means: Arrash T. Fattahi and Arman A. Salehi of Wilshire Law Firm.
- 1.6. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.7. “Class Data” means Class Members’ identifying information in Defendant’s possession, including the name, last-known mailing address, Social Security number, number of Workweeks worked during the Class Period, and number of PAGA Pay Periods.
- 1.8. “Class Member Address Search” means the Administrator’s investigation and search for current Class Members’ mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator.

- 1.9. “Class Notice” means the Court Approved Notice of Class Action Settlement, to be mailed to Class Members, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.10. “Class Member” means a non-exempt employee who is or was employed by AIS in the State of California at any time during the Class Period.
- 1.11. “Class Period” means the period beginning August 31, 2019 to the date of preliminary approval of the settlement.
- 1.12. “Class Representative” means the named Plaintiffs in the operative complaint in the Action seeking Court approval to serve as the Class Representatives, Carlos Francisco Lopez and Sunshine Miriam Gonzalez.
- 1.13. “Class Representative Service Payments” means, in exchange for the execution of a stand-alone general release of all claims, the payments to the Class Representatives for initiating the Action and providing services in support of the Action.
- 1.14. “Court” means the Superior Court of California, County of Ventura.
- 1.15. “Defendants” means named Defendants Adriana’s Insurance Services Inc. and AGI Business Group, Inc.
- 1.16. “Defense Counsel” means Camille M. Vasquez, Matthew M. Sonne, Hilary A. Habib, and Lauren Blaes of Sheppard, Mullin, Richter, and Hampton LLP.
- 1.17. “Effective Date” means the date on which the Final Award becomes final. For purposes of this Section, the Final Award “becomes final” only after the Court grants the Motion for Final Approval and upon service of the Notice of Entry of Order and/or Judgment, and upon the latter of: (i) if no appeal, or other challenge is filed, the seventieth (70th) day following Notice of Entry of the Court’s Order and/or Judgment; (ii) the date of affirmance of an appeal of the Order Granting Final Approval and/or Judgment becomes final under the California Rules of Court; or (iii) the date of final dismissal of any appeal from the Order Granting Final Approval and/or Judgment or the final dismissal of any proceeding on review of any court of appeal decision relating to the Order Granting Final Approval and/or Judgment, and issuance of remittitur.
- 1.18. “Final Approval” or “Final Award” means the Court’s order granting final approval of the Settlement.
- 1.19. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.20. “Gross Settlement Amount” means \$950,000.00 (Nine Hundred Fifty Thousand Dollars and No Cents) which is the total gross amount Defendants agree to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual Class Payments,

Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Litigation Expenses, Class Representative Service Payments and the Administration Expenses.

- 1.21. “Individual Class Payment” means the Participating Class Member’s share of the Net Settlement Amount, calculated in accordance with Paragraph 3.2.4.1 below.
- 1.22. “Individual PAGA Payment” means the Aggrieved Employee’s share of 25% of the PAGA Penalties, calculated in accordance with Paragraph 3.2.5.1 below.
- 1.23. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.24. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled to receive a share of civil penalties under Labor Code section 2699, subd. (i).
- 1.25. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.26. “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, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Class Members as Individual Class Payments.
- 1.27. “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.
- 1.28. “Objection to Settlement” means the Court Approved Objection Form in the form, without material variation, attached as Exhibit B and incorporated by reference into this Agreement.
- 1.29. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698, et seq.).
- 1.30. “PAGA Notice” means Plaintiff Lopez’s September 26, 2023 and June 12, 2026 letters to the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a), Case No. LWDA-CM-983965-23, and any subsequent letter submitted to the LWDA on behalf of Plaintiffs as to Defendants.
- 1.31. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for either of the Defendants for at least one day during the PAGA Period.
- 1.32. “PAGA Period” means the period from September 26, 2022 to the date of preliminary approval.

- 1.33. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$12,500.00) and 75% to the LWDA (\$37,500.00) in settlement of PAGA claims.
- 1.34. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.35. "Plaintiffs" means Carlos Francisco Lopez and Sunshine Miriam Gonzalez, the named plaintiffs in the Action.
- 1.36. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.
- 1.37. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.38. "Released Class Claims" means the claims being released as described in Paragraph 6.2 below.
- 1.39. "Released PAGA Claims" means the claims being released as described in Paragraph 6.3 below.
- 1.40. "Released Parties" means: Adriana's Insurance Services Inc., AGI Business Group, Inc., and each of their past, present and future agents, employees, servants, officers, directors, managing agents, members, owners (whether direct or indirect), partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, reinsurers, consultants, joint venturers, joint employers, potential and alleged joint employers, temporary staffing agencies and employees thereof, common law employers, potential and alleged common law employers, dual employers, potential and alleged dual employers, co-employers, potential and alleged co-employers, contractors, affiliates, service providers, alter-egos, potential and alleged alter-egos, vendors, affiliated companies/organizations, any person and/or entity with potential or alleged to have joint liability, and all of their respective past, present and future employees, directors, officers, members, owners, agents, representatives, payroll agencies, attorneys, stockholders, fiduciaries, parents, subsidiaries, other service providers, clients and assigns and any and all persons and/or entities acting under, by, through or in concert with any of them.
- 1.41. "Request for Exclusion" means the Court approved Opt-Out Form to be mailed to Class Members in the form, without material variation, attached as Exhibit C and incorporated by reference into this Agreement.
- 1.42. "Response Deadline" means 45 calendar days after the Administrator mails Notice to the Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b)

fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline.

1.43. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.44. “Settlement Payment Check” means the payment to Class Members. The back of the Settlement Payment Check shall state, immediately below the space where the check is to be endorsed by the payee: “By endorsing or otherwise negotiating this check, I acknowledge that I read, understood, and agree to the terms set forth in the Notice of Class Action Settlement and I consent to join in the Fair Labor Standards Act (“FLSA”) portion of the [Action], elect to participate in the settlement of the FLSA claims, and agree to release all of my FLSA claims that are covered by the Settlement.”

1.45. “Workweek” means any week during which a Class Member worked for AIS for at least one day during the Class Period.

2. RECITALS.

2.1. Plaintiffs allege that they were former employees of Defendants at some point during the Class Period.

2.2. On August 31, 2023, Plaintiff Lopez filed a complaint against Defendant Adriana’s Insurance Services Inc. in Ventura County Superior Court. The complaint asserted eight causes of action: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify; and (8) unfair business practices.

2.3. By or before the hearing on the Motion for Preliminary Approval, Plaintiffs will file a First Amended Complaint adding Plaintiff Sunshine Miriam Gonzalez as a named plaintiff, a claim under the Private Attorneys General Act (“PAGA”) and all claims raised and/or discussed during the Parties’ September 3, 2025 mediation, and adding Defendant AGI Business Group, Inc. as a named defendant.

2.4. Defendants deny the allegations in the Action, deny any failure to comply with the laws identified in the Action, and deny any and all liability for the causes of action alleged in the Action.

2.5. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff Lopez gave timely written notice to Defendants and the LWDA by sending PAGA Notices on September 26, 2023 and June 12, 2026.

2.6. On February 3, 2025 and again on September 3, 2025, the Parties participated in

mediations presided over by Todd Smith, Esq., which led to this Agreement to settle the Action.

- 2.7. Prior to mediation and finalizing the Agreement, Plaintiffs obtained, through discovery, relevant information from Defendants, including but not limited to an adequate sampling of employee time and payroll records, records relating to Plaintiff, Defendants' policy documents, and the exchange of relevant data points pertaining to the Class and PAGA claims. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in Dunk v. Foot Locker Retail, Inc., 48 Cal.App.4th 1794, 1801 (1996) and Kullar v. Foot Locker Retail, Inc., 168 Cal.App.4th 116, 129-30 (2008) ("Dunk/Kullar").

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Defendants promise to pay \$950,000.00 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes required by law on the wage portions of the Individual Class Payments. Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.2 of the Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking for Class Members, or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.
- 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 Plaintiffs: Class Representative Service Payments to the Class Representative of not more than \$10,000.00 each (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as a Participating Class Member). Defendants will not oppose Plaintiffs' request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves Class Representative Service Payments less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. A reduction by the Court of the Class Representative Service Payments shall not be grounds to nullify this Agreement. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payments. The Class Representative Service Payments will be in addition to the Plaintiffs' Individual Settlement Payment paid pursuant to the Settlement.

- 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 1/3 of the Gross Settlement Amount, which is currently estimated to be \$316,666.67, and a Class Counsel Litigation Expenses Payment of not more than \$40,000.00. Defendants will not oppose requests for these payments provided they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. A reduction by the Court of either the Class Counsel Fee Payment(s) and/or Class Counsel Litigation Expenses Payment(s) shall not be grounds to nullify this Agreement. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$11,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$11,000.00, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4. To Each Participating Class Member: For each Participating Class Member, an Individual Class Payment will be calculated based on the Participating Class Member's pro rata share of Workweeks worked during the Class Period, i.e., the number of Workweeks the Participating Class Member worked during the Class Period divided by the total number of Workweeks worked by all Class Members during the Class Period.
- 3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 80% of each Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.
- 3.2.4.2. 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 on a pro rata basis. Non-Participating Class Members shall still receive an Individual PAGA Payment.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$50,000.00 to be paid from the Gross Settlement Amount, with 75% (\$37,500.00) allocated to the LWDA PAGA Payment and 25% (\$12,500.00) allocated to the Individual PAGA Payments as a satisfaction and release of the Released PAGA claims.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties \$12,500.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Data. Not later than thirty (30) calendar days after the Court grants Preliminary Approval of the Settlement, Defendants will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect employee privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if they discover 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 Defendants 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. Defendants shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendants' share of payroll taxes by transmitting the funds to the Administrator no later than 21 days after the Effective Date.

4.3. Payments from the Gross Settlement Amount. Within 30 days after Defendants funds the Gross Settlement Amount, the Administrator will mail checks for all Individual

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

- 4.3.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members, and or Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 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 must update the recipients' mailing addresses using the National Change of Address Database.
- 4.3.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.3.3. 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 California Controller's Unclaimed Property Fund in the name of the Class Member, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).
- 4.3.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendants 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. As of the date of Judgment, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

- 5.1 Plaintiffs' Release. As a condition of receiving any portion of the Class Representative Service Payment, Plaintiffs and each of their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties, and each and all of them, from any and all claims, liabilities, causes of actions, charges, complaints, obligations, costs, losses, damages, injuries, attorneys' fees, and other legal responsibilities, of any form whatsoever, whether known or unknown, unforeseen, unanticipated, unsuspected, or latent, which Plaintiffs or their heirs, administrators, executors, successors in interest, and/or assigns have incurred or expect to incur, or now own or hold, or have at any time heretofore owned or held, or may at any time own, hold, or claim to hold by reason of any matter or thing arising from any cause prior to the later date of Plaintiffs' execution of this Agreement or Plaintiffs' execution of the stand-alone individual settlement agreements. This Release extends to any and all claims including, but not limited to, any alleged (a) violation of the National Labor Relations Act, Title VII of the Civil Rights Act, the California Fair Employment and Housing Act, the Americans With Disabilities Act of 1990, the Federal Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act of 1990, the Fair Labor Standards Act, the California Labor Code, any applicable California Wage Order, the California Private Attorneys General Act ("PAGA") (to include, but not limited to, acting as a PAGA representative), the California Equal Pay Act, the California Fair Pay Act, the Occupational Safety and Health Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the California Family Rights Act, the Employee Retirement Income Security Act (excluding vested benefits), the California Unfair Business Practices Act/Unfair Competition Law, the Family and Medical Leave Act, the Worker Adjustment and Retraining Notification Act, and any state law equivalent; (b) harassment, discrimination and/or retaliation, or failure to prevent the same, on the basis of age, race, color, ancestry, national origin (including language use restrictions), citizenship, religious creed (including religious dress and grooming practices), sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), marital status, domestic partnership status, sexual orientation, gender, gender identity or gender expression, veteran status, military status, political affiliation, failure to accommodate a disability, failure to engage in the interactive process, family care or medical leave status or the denial of family and medical care leave, physical or mental disability (including HIV and AIDS), medical condition (including cancer and genetic characteristics), genetic information or any other basis protected by applicable federal, state and/or local laws, regulations, rules, ordinances and/or orders, failure to pay wages due or other monies owed; (c) any whistleblower or retaliation claims on the basis of any protected activity or other protected basis; (d) breach of any express or implied promise, contract or agreement (express or implied), or breach of the implied covenant of good faith and fair dealing; (e) any tort or common law claims, including wrongful discharge, intentional or negligent infliction of emotional distress, negligence, fraud, misrepresentation, defamation, libel, slander, interference with prospective economic advantage, or other tort or common law actions; (f) claims for misclassification, wage and hour, or other claims related to hours,

conditions, or compensation related to work; and (g) any other violation of local, state, or federal law, constitution, statute, regulation or ordinance, public policy, contract, or tort or common law claim, whether for legal or equitable relief, having any bearing whatsoever on the terms and conditions of employment, or association or working relationship, with any of the Released Parties, including but not limited to any allegations for penalties, interest, costs and fees, including attorneys' fees, incurred in any of these matters, which Plaintiffs ever had, now has, or may have as of the date of this Agreement (with the exception of the Released Class Claims and Released PAGA Claims, as the release for those claims will extend through the Class Period and PAGA Period, respectively). All such claims, liabilities or causes of action (including, without limitation, claims for related attorneys' fees and costs) are forever barred by this Agreement regardless of the forum in which they may be brought. The Parties intend for this release to be as broad as possible. Plaintiffs' Release applies to persons who are not signatories to the Agreement.

This release excludes the release of claims not permitted by law. Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time. Plaintiffs acknowledge that they may discover facts or law different from, or in addition to, the facts or law that they now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them. The specific terms of Plaintiffs' Release will be detailed in a separate, stand-alone individual settlement agreement.

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

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

5.2 Release by Participating Class Members:

As of the date of Judgment, all Class Members who do not properly opt-out of the Settlement will fully and finally release the Released Parties (as defined above in Section 1.40), and each and all of them, from any and all Class Released Claims. The "Class Released Claims" include all claims asserted in the Action, as amended, and/or PAGA Notice and/or arising out of, reasonably related to, or based on the same factual predicate as the facts alleged in the operative complaint and PAGA Notice. The Class Released Claims include all claims for unpaid wages, including, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; wages related to alleged illegal time rounding; missed/short/late/interrupted meal period and/or rest period wages/premiums; failure to provide meal periods; failure to authorize and permit rest

periods; the calculation of meal period and/or rest period premiums; wages and/or penalties related to alleged auto-deduction of meal periods; wage deductions; payment for all hours worked, including off-the-clock work and/or alleged prohibition of recording actual time worked; failure to pay overtime compensation, double-time compensation, meal and rest period premiums, sick pay, and reporting time pay at the regular rate of pay; wage statements; failure to timely pay all wages during employment; failure to timely pay all wages due at separation of employment; failure to keep/maintain accurate records including payroll records and records of hours worked and meal periods; failure to reimburse business expenses; unfair business practices related to the Class Released Claims; penalties, including, but not limited to, recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs; all claims related to the Class Released Claims arising under: the California Labor Code (including, but not limited to, sections 200, 201-203, 204, 206, 210, 216, 218, 218.5, 218.6, 221, 223, 224, 225, 225.5, 226, 226.3, 226.7, 256, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198 *et seq.*, 1198.5, 1199, 2698 *et seq.*, 2699 *et seq.*, 2800, 2802 *et seq.*); the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 ("PAGA"); 8 CCR section 11040; California Business and Professions Code section 17200, *et seq.*; California Code of Civil Procedure, including but not limited to Section 1021.5; the Fair Labor Standards Act ("FLSA"), 29 U.S.C. § 201 *et seq.*; and federal common law.

Participating Class Members who timely cash or otherwise negotiate their Settlement Payment Check will be deemed to have opted into the Action for purposes of the FLSA and, as to those Class Members, the Released Class Claims include any and all claims the Class Members may have under the FLSA asserted in the Action, as amended, arising from or related to the facts and claims alleged in the Action, as amended, or that could have been alleged in the Action based on the facts and claims alleged in the Action, as amended, during the Class Period. Only those Class Members who timely cash or otherwise negotiate their Settlement Payment Check will be deemed to have opted into the Action for purposes of the FLSA and thereby release and waive any of their claims under the FLSA arising under or relating to the alleged claims.

The following language will be printed on the reverse of each Settlement Payment Check, or words to this effect: "By endorsing or otherwise negotiating this check, I acknowledge that I read, understood, and agree to the terms set forth in the Notice of Class Action Settlement and I consent to join in the Fair Labor Standards Act ("FLSA") portion of the [Action], elect to participate in the settlement of the FLSA claims, and agree to release all of my FLSA claims that are covered by the Settlement." Nothing herein shall be construed to release FLSA claims by any Class Member unless that person affirmatively opts into the FLSA portion of the settlement by endorsing, cashing, or otherwise negotiating the Settlement Payment Check, except to the extent a final judgment is otherwise given preclusive effect by law.

This release excludes the release of claims not permitted by law.

- 5.3 Release by Aggrieved Employees: All Aggrieved Employees, including those who timely and effectively exclude themselves from the Released Class Claims (Settlement), shall nevertheless be bound by the Released PAGA Claims and shall receive a pro rata portion of 25% of the PAGA Penalties. All Aggrieved Employees, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, assigns, and the LWDA, shall release the Released Parties from all known and unknown claims for civil penalties under PAGA that were asserted in the Action, and any claims alleged, or could have been alleged, in the Action, as amended, based on the allegations asserted in the Action, as amended, and/or in the PAGA Notice, including, but not limited to, claims relating to failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; wages related to alleged illegal time rounding; missed/short/late/interrupted meal period and/or rest period wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods; the calculation of meal period and/or rest period premiums; wages and/or penalties related to alleged auto-deduction of meal periods; wage deductions; payment for all hours worked, including off-the-clock work and/or alleged prohibition of recording actual time worked; failure to pay overtime compensation, double-time compensation, meal and rest period premiums, sick pay, and reporting time pay at the regular rate of pay; wage statements; failure to timely pay all wages during employment; failure to timely pay all wages due at separation of employment; failure to keep/maintain accurate records including payroll records and records of hours worked and meal periods; failure to reimburse business expenses; unfair business practices related to the Class Released Claims; penalties, including, but not limited to, recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs; all claims related to the Class Released Claims arising under: the California Labor Code (including, but not limited to, sections 200, 201-203, 204, 206, 210, 216, 218, 218.5, 218.6, 221, 223, 224, 225, 225.5, 226, 226.3, 226.7, 256, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198 *et seq.*, 1198.5, 1199, 2698 *et seq.*, 2699 *et seq.*, 2800, 2802 *et seq.*); the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 ("PAGA"); 8 CCR section 11040; California Code of Civil Procedure, including but not limited to Section 1021.5 ("Released PAGA Claims"). Aggrieved Employees' Released PAGA Claims are limited to the PAGA Period.

6. MOTION FOR PRELIMINARY APPROVAL. The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Ventura County Superior Court's current requirements for Preliminary Approvals.

- 6.1 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel 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 Section 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 Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from Class Counsel attesting to its competency to represent Class Members; and (vi) its timely transmission to the LWDA of all necessary PAGA documents pursuant to Labor Code section 2699(l) (initial notice of violations (Labor Code section 2699.3, subd. (a)), operative complaints (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2))); and all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator.

6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, 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 resolve the disagreement. 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.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Phoenix Class Action Administration ("Phoenix") to serve as the Administrator and verified that, as a condition of appointment, Phoenix agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. 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 calculating payroll tax withholdings and providing reports 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 section 468B-1.

7.4 Notice to Class Members.

7.4.1 No later than 3 business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, 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 Workweeks and PAGA Pay Periods (if applicable) 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 3 business 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 Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Members of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Defendants or Class Counsel are contacted by or otherwise discover any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, 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 45 days after the Administrator mails the Class Notice (plus an additional 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.

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. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. 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 authenticity 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, entitled to all benefits and bound by all terms and conditions of the Settlement, including the releases under Paragraphs 6.2 and 6.3 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 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 6.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Workweeks and PAGA Pay Periods (if any) 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 must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the

Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

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, Class Counsel Litigation Expenses Payment and/or Class Representative Service 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 45 days after the Administrator's mailing of the Class Notice (plus an additional 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 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 5 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).

7.8.2 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved,

and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.3 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

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

7.8.5 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 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. The Gross Settlement Amount was calculated based on the estimate that the Class Members worked a total of 43,012 workweeks from August 31, 2019 to September 3, 2025. If the total number of workweeks increases by more than 10% (i.e. an increase of more than 4,301 workweeks), Defendant shall have the option of: (a) increasing the Gross Settlement Amount proportionally by the number of workweeks worked in excess of 10% (for example, if the final number of total workweeks increases by 11%, the GSA will increase by 1%); or (b) ending the Settlement Class Period to an earlier date in which 47,313 workweeks is met.

9. DEFENDANTS’ RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds seven and a half percent (7.5%) of the total of all Class Members, Defendants may elect, but are not obligated, to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be void ab

initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendants must notify Class Counsel and the Court of their election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

- 10. MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs 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 section 2699, subd. (l), a Proposed Final Approval Order, and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs shall provide drafts of these documents to Defense Counsel a reasonable time before filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 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 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

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

10.3 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.

10.4 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 set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties’ obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the

Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10.5 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 Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

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 Defendants that any of the allegations in the Action have merit or that Defendants have any liability for any claims asserted. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reason, and Defendants reserve all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and the 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 Publicity. Plaintiffs and Class Counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry or have any communication with the press about the amount or terms of the Agreement. Class Counsel may respond to press inquiries by stating the matter has been resolved and refer the press to court filings. In addition, Plaintiffs and Class Counsel agree that they will not engage in any advertising or distribute any marketing materials specifying any material terms relating to the settlement of this Action, including but not limited to any postings on any websites maintained by Class Counsel and including but not limited to the identity of either Defendant and/or any information that identifies either Defendant. Any communication about the Agreement to Class Members prior to the Court-approved

mailing will be limited to a statement that a settlement has been reached and the details will be communicated in a forthcoming Court-approved notice. Plaintiffs are prohibited from discussing the terms or the fact of the Agreement with third parties other than (1) their immediate family members, and/or (2) their accountants or lawyers as necessary for tax purposes.

- 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 and the individual settlement agreements executed by Defendants and Plaintiff, 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 Plaintiffs and Defendants, 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 the Settlement 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 the 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 this Settlement.
- 12.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement 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 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Actions 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 Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this 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 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, Plaintiffs shall destroy all paper and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destruction, 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:

Arrash T. Fattahi, Esq.
Arman A. Salehi, Esq.
WILSHIRE LAW FIRM

660 S. Figueroa Street, Sky Lobby
Los Angeles, CA 90017
Telephone: (213) 784-3830
Facsimile : (213) 381-9989
afattahi@wilshirelawfirm.com
asalehi@wilshirelawfirm.com

To Defendants:

Camille M. Vasquez, Esq.
Matthew M. Sonne, Esq.
Lauren Blaes, Esq.
SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
650 Town Center Drive, 10th Floor
Costa Mesa, California 92626-1993
Telephone: (714) 513-5100
Facsimile: (714) 513-5130
cvasquez@sheppard.com
msonne@sheppard.com
lblaes@sheppard.com

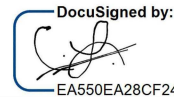
Hilary A. Habib, Esq.
SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
350 South Grand Avenue, 40th Floor
Los Angeles, California 90071-3460
Telephone: (213) 620-1780
Facsimile: (213) 620-1398
hhabib@sheppard.com

12.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. 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.

On Behalf of Plaintiff Lopez:

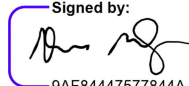
Dated: 7/13/2026 _____

DocuSigned by:

EA550EA28CF2453...

Carlos Francisco Lopez, Plaintiff

On Behalf of Plaintiff Gonzalez:

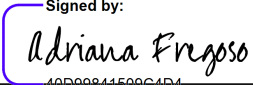
Dated: 7/13/2026

Signed by: 
9AE84447577844A

Sunshine Miriam Gonzalez, Plaintiff

On Behalf of Defendant Adriana's Insurance Services Inc.:

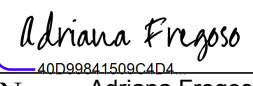
Dated: 7/14/2026

Signed by: 
40D99841509C4D4

Name: Adriana Fregoso
Title: CEO

On Behalf of Defendant AGI Business Group, Inc.:

Dated: 7/14/2026

Signed by: 
40D99841509C4D4

Name: Adriana Fregoso
Title: CEO

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Carlos Francisco Lopez. v. Adriana's Insurance Services Inc., et al.
Ventura County Superior Court
Case No. 2023CUOE013516

IF YOU WERE EMPLOYED BY ADRIANA'S INSURANCE SERVICES INC. ("AIS") AND/OR AGI BUSINESS GROUP, INC. ("AGI"), (COLLECTIVELY, "DEFENDANTS") AS A NON-EXEMPT EMPLOYEE IN CALIFORNIA AT ANY TIME FROM AUGUST 31, 2019, THROUGH [INSERT DATE], YOU MAY BE ENTITLED TO RECEIVE MONEY FROM A CLASS AND REPRESENTATIVE ACTION SETTLEMENT

*The Court has approved this Notice. This is not an advertisement.
You are not being sued. However, your legal rights are affected whether you act or not.*

PLEASE READ THIS NOTICE.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants that are covered by this Settlement (Released Class Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement. The Opt-out Deadline is [date]	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. If you are an Aggrieved Employee and exclude yourself, you will still be paid your Individual PAGA Payment stated above and will remain subject to the release of the Released PAGA Claims (defined below) regardless of whether you submit a request for exclusion.
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [date]	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members.

	You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the [date] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [date]. You don't have to attend, but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/PAGA Pay Periods Written Challenges Must be Submitted by [date]	The amount of your Individual Class Settlement Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many PAGA Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Pay Periods you worked according to Defendants' records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [date]. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs Carlos Francisco Lopez and Sunshine Miriam Gonzalez are former employees of Defendants. Plaintiffs filed the Action against Defendants. The Action alleges that Defendants violated California law by (1) failing to pay all minimum and straight time wages, (2) failing to pay all overtime wages, (3) failing to provide meal periods, (4) failing to authorize and permit rest periods, (5) failing to timely pay final wages at termination, (6) failing to provide accurate itemized wage statements, (7) failing to indemnify employees for expenditures, and (8) unfair business practices. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Lab. Code, § 2698, *et seq.*) ("PAGA"). Only the PAGA claim is alleged against AGI. Plaintiffs are represented by attorneys in the Action: John G. Yslas, Arrash T. Fattahi, Arman A. Salehi, and Giancarlo Recinos of Wilshire Law Firm, PLC ("Class Counsel").

Defendants strongly deny that they have done anything wrong and dispute all the claims in the Action and claim that this Action cannot be maintained as a class or representative action.

The Court has not made any determination of the merits of the claims of Plaintiffs or the defenses of Defendants. This means there has been no determination that Defendants did not comply with California law and Defendants maintain that they complied with the law at all times.

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

The Parties reached a Settlement subject to Court approval as represented in a written Class and PAGA Representation Action Settlement Agreement and Class Notice (the "Settlement" or

“Settlement Agreement”). Class Counsel believes that the Settlement is fair, reasonable, and adequate, and that it is in the best interests of Class Members. Likewise, Defendant has decided that settlement is favorable because it avoids the time, risk, and expense of a lengthy lawsuit, and settlement immediately resolves, finally and completely, the pending and potential claims. By settling this lawsuit, Defendant does not admit, concede, or imply that it has done anything wrong or legally actionable.

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

A. Defendants Will Pay \$950,000.00 as the Gross Settlement Amount (Gross Settlement). Defendants have agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel’s attorneys’ fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”).

B. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

- i. Up to 1/3 of the Gross Settlement Amount (currently estimated at \$316,666.67) to Class Counsel for attorneys’ fees, and up to \$40,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
- ii. Up to \$10,000.00 as a Class Representative Service Award to each Plaintiff Carlos Francisco Lopez and Plaintiff Sunshine Miriam Gonzalez (\$20,000 total) for filing the Action, working with Class Counsel, and representing the Class. A Class Representative Award will be the only monies each Plaintiff will receive other than each Plaintiff’s Individual Class Payment and any Individual PAGA Payment.
- iii. Up to \$11,000.00 to the Administrator for services administering the Settlement.
- iv. Up to \$50,000.00 for PAGA Penalties, allocated 75% (\$37,500.00) to the LWDA PAGA Payment and 25% (\$12,500.00) in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

C. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

D. Taxes Owed on Payments to Class Members. Plaintiffs and Defendants are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to interest and penalties (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiffs and Defendants have agreed to these allocations, neither Plaintiffs, Defendants, Class Counsel, nor Defense Counsel is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

E. 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 don’t cash it by the void date, your check will be transmitted to the California State Controller’s Unclaimed Property Fund under your name. See Section 10 of this notice for more information.

F. 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 email, fax, or mail a written and signed Request for Exclusion by the <<RESPONSE DEADLINE>> 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 receive Individual Class Payments, but will preserve their rights to personally pursue claims against Defendants for violations of California’s labor laws.

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

G. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendants have agreed that, in either case, the Settlement will be void: Defendants will not pay any money and Class Members will not release any claims against Defendants.

H. Administrator. The Court has appointed a neutral company, Phoenix Class Action Administration (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class

Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

I. Participating Class Members' Release. After the Judgment is final and AIS has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue or be part of any other lawsuit against AIS or related entities for wages based on the Class Period facts, as alleged in the Action and resolved by this Settlement.

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

As of the date of Judgment, all Class Members who do not properly opt-out of the Settlement will fully and finally release the Released Parties (as defined above in Section 1.40), and each and all of them, from any and all Class Released Claims. The "Class Released Claims" include all claims asserted in the Action, as amended, and/or PAGA Notice and/or arising out of, reasonably related to, or based on the same factual predicate as the facts alleged in the operative complaint and PAGA Notice. The Class Released Claims include all claims for unpaid wages, including, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; wages related to alleged illegal time rounding; missed/short/late/interrupted meal period and/or rest period wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods; the calculation of meal period and/or rest period premiums; wages and/or penalties related to alleged auto-deduction of meal periods; wage deductions; payment for all hours worked, including off-the-clock work and/or alleged prohibition of recording actual time worked; failure to pay overtime compensation, double-time compensation, meal and rest period premiums, sick pay, and reporting time pay at the regular rate of pay; wage statements; failure to timely pay all wages during employment; failure to timely pay all wages due at separation of employment; failure to keep/maintain accurate records including payroll records and records of hours worked and meal periods; failure to reimburse business expenses; unfair business practices related to the Class Released Claims; penalties, including, but not limited to, recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs; all claims related to the Class Released Claims arising under: the California Labor Code (including, but not limited to, sections 200, 201-203, 204, 206, 210, 216, 218, 218.5, 218.6, 221, 223, 224, 225, 225.5, 226, 226.3, 226.7, 256, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198 *et seq.*, 1198.5, 1199, 2698 *et seq.*, 2699 *et seq.*, 2800, 2802 *et seq.*); the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 ("PAGA"); 8 CCR section 11040; California Business and Professions Code section 17200, *et seq.*; California Code of Civil Procedure, including but not limited to Section 1021.5; the Fair Labor Standards Act ("FLSA"), 29 U.S.C. § 201 *et seq.*; and federal common law.

Participating Class Members who timely cash or otherwise negotiate their Settlement Payment Check will be deemed to have opted into the Action for purposes of the FLSA and, as to those Class Members, the Released Class Claims include any and all claims the Class Members may have under the FLSA asserted in the Action, as amended, arising from or related to the facts and claims alleged in the Action, as amended, or that could have been alleged in the Action based on the facts and claims alleged in the Action, as amended, during the Class Period. Only those Class Members who timely cash or otherwise negotiate their Settlement Payment Check will be deemed to have opted into the Action for purposes of the FLSA and thereby release and waive any of their claims under the FLSA arising under or relating to the alleged claims.

The following language will be printed on the reverse of each Settlement Payment Check, or words to this effect: “By endorsing or otherwise negotiating this check, I acknowledge that I read, understood, and agree to the terms set forth in the Notice of Class Action Settlement and I consent to join in the Fair Labor Standards Act (“FLSA”) portion of the [Action], elect to participate in the settlement of the FLSA claims, and agree to release all of my FLSA claims that are covered by the Settlement.” Nothing herein shall be construed to release FLSA claims by any Class Member unless that person affirmatively opts into the FLSA portion of the settlement by endorsing, cashing, or otherwise negotiating the Settlement Payment Check, except to the extent a final judgment is otherwise given preclusive effect by law.

This release excludes the release of claims not permitted by law.

J. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and Defendants have fully funded the Gross Settlement and separately paid the employer-side payroll taxes, all Aggrieved Employees will be barred from asserting PAGA claims against Defendants, 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 Defendants or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees’ Releases for Participating and Non-Participating Class Members are as follows:

All Aggrieved Employees, including those who timely and effectively exclude themselves from the Released Class Claims (Settlement), shall nevertheless be bound by the Released PAGA Claims and shall receive a pro rata portion of 25% of the PAGA Penalties. All Aggrieved Employees, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, assigns, and the LWDA, shall release the Released Parties from all known and unknown claims for civil penalties under PAGA that were asserted in the Action, and any claims alleged, or could have been alleged, in the Action, as amended, based on the allegations asserted in the Action, as amended, and/or in the PAGA Notice, including, but not limited to, claims relating to failure to pay minimum wages, straight time compensation, overtime

compensation, double-time compensation, and interest; the calculation of the regular rate of pay; wages related to alleged illegal time rounding; missed/short/late/interrupted meal period and/or rest period wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods; the calculation of meal period and/or rest period premiums; wages and/or penalties related to alleged auto-deduction of meal periods; wage deductions; payment for all hours worked, including off-the-clock work and/or alleged prohibition of recording actual time worked; failure to pay overtime compensation, double-time compensation, meal and rest period premiums, sick pay, and reporting time pay at the regular rate of pay; wage statements; failure to timely pay all wages during employment; failure to timely pay all wages due at separation of employment; failure to keep/maintain accurate records including payroll records and records of hours worked and meal periods; failure to reimburse business expenses; unfair business practices related to the Class Released Claims; penalties, including, but not limited to, recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs; all claims related to the Class Released Claims arising under: the California Labor Code (including, but not limited to, sections 200, 201-203, 204, 206, 210, 216, 218, 218.5, 218.6, 221, 223, 224, 225, 225.5, 226, 226.3, 226.7, 256, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198 *et seq.*, 1198.5, 1199, 2698 *et seq.*, 2699 *et seq.*, 2800, 2802 *et seq.*); the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 ("PAGA"); 8 CCR section 11040; California Code of Civil Procedure, including but not limited to Section 1021.5 ("Released PAGA Claims"). Aggrieved Employees' Released PAGA Claims are limited to the PAGA Period.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

A. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

B. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing **\$12,500.00** by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.

Based on Defendants' records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be \$. (less withholding) and your Individual PAGA Payment is estimated to be \$ __.** The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendants' records, you are not eligible for an Individual PAGA Payment under the Settlement because you did not work during the PAGA Period.)

The above estimates are based on Defendants' records showing that **you worked _____ workweeks** in California during the Class Period and **you worked _____ workweeks** in California during the PAGA Period. If you believe that you worked more workweeks and/or pay periods in California during either period, you can submit a challenge by the deadline date.

C. Workweek/Pay Period Challenges. You have until [date] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

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

5. HOW WILL I GET PAID?

A. 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.

B. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

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

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

Email, fax, or mail 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 to be excluded. Be sure to personally sign your request, identify the Action as *Carlos Francisco Lopez v. Adriana's Insurance Services Inc., et al.*, Case No. 2023CUOE013516, 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 [date], or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendants are asking the Court to approve. At least 16 days before the [date] Final Approval Hearing, Class Counsel and/or

Plaintiffs will file in Court a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, the amount Class Counsel is requesting for attorneys' fees and litigation expenses, and the amount Plaintiffs are requesting as Class Representative Service Awards. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website (<https://www.phoenixclassaction.com/>) or the Court's website (<https://ventura.courts.ca.gov/>).

A Participating Class Member who disagrees with any aspect of the Agreement or the Motion for Final Approval may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. Written objections may be submitted to the Administrator by fax, email, or mail. **The deadline for sending written objections to the Administrator is [date].** 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 as *Carlos Francisco Lopez v. Adriana's Insurance Services Inc., et al.*, Case No. 2023CUOE013516, and include your name, current address, telephone number and approximate dates of employment for Defendants and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [date] at [time] in Department 43 of the Ventura County Superior Court, located at 800 South Victoria Avenue, Ventura, California 93009. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel, and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually. Check the Court's website for the most current information (<https://ventura.courts.ca.gov/>).

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website (<https://www.phoenixclassaction.com/>) beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to Phoenix Class Action Administration's website at (<https://www.phoenixclassaction.com/>). You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below.

Alternatively, the pleadings and other records in this litigation may be examined online by going to the following link, navigating to the Case Number Search function, and typing in the case number (2023CUOE013516): <https://ventura.ecourt.com/public-portal/?q=node/386>.

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

Class Counsel:

Arrash T. Fattahi
arrash.fattahi@wilshirelawfirm.com
Arman A. Salehi
arman.salehi@wilshirelawfirm.com
WILSHIRE LAW FIRM
660 S. Figueroa Street, Sky Lobby
Los Angeles, California 90017
Telephone: (213) 784-3830
Fax Number: (213) 381-9989

Settlement Administrator:

Phoenix Class Action Administration
Email Address: info@phoenixclassaction.com
Mailing Address: P.O. Box 7208 Orange, California 92863
Telephone: (800) 523-5773
Fax Number:

Defense Counsel:

Camille M. Vasquez, Esq.
Matthew M. Sonne, Esq.
Hilary A. Habib, Esq.
Lauren J. Blaes, Esq.
SHEPPARD, MULLIN,
RICHTER & HAMPTON LLP
650 Town Center Drive, 10th Floor
Costa Mesa, CA 926261993
Telephone: (714) 513-5100
Facsimile: (714) 513-5130
Email: cvasquez@sheppard.com
msonne@sheppard.com
hhabib@sheppard.com
lblaes@sheppard.com

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. If you do not cash your check by the deadline stated on the check itself, the money will be sent to the California State Controller's Unclaimed Property Division. Should you not cash your check in a timely fashion, you may find out more about how to recover your money by visiting https://www.sco.ca.gov/search_upd.html.

11. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT 3



Outlook

Thank you for your Proposed Settlement Submission

From no-reply@formassembly.com <no-reply@formassembly.com>

Date Wed 8/26/2026 3:26 PM

To Giancarlo Recinos' Team <Giancarlorecinosteam@wilshirelawfirm.com>

08/26/2026 03:26:15 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

On 08/26/2026 03:26:15 PM your Proposed Settlement was successfully processed for case number LWDA-CM-983965-23

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate_Attorneys_General_Act.htm&data=05%7C02%7Cdariane.rose%40wilshirelawfirm.com%7Cb740228fa3714414b1d508df03c1151f%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639233799973193987%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMtIsIkFOIjoiTWFpbGlldUljoyfQ%3D%3D%7C0%7C%7C%7C&data=wiMbA9ZRLyLs0%2FZEN0gskR3piBV4ZBbS0WI9ISgWSWE%3D&reserved=0

EXHIBIT 4



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

CASE ASSUMPTIONS

Class Members	800
Opt Out Rate	1%
Opt Outs Received	8
Total Class Claimants	792
Subtotal Admin Only	\$11,000.00

Not-to-Exceed Total \$11,000.00

For 800 Class Members

Pricing Good for Scope of Estimate Only

April 2, 2026

Case: Lopez, et al. v. Adriana's Insurance Services Opt-Out Administration wTranslation

Phoenix Contact: Jodey Lawrence

Contact Number: 949.566.1455

Email: Jodey@phoenixclassaction.com

Requesting Attorney: Arman A. Salehi, Esq.

Firm: Wilshire Law Firm, PLC

Contact Number: (213) 381-9988 Ext. 1117

Email: arman.salehi@wilshirelawfirm.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly.

Estimate is based on 800 Class Members. Class data **Must** be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of \$150 per hour will be charged for any additional analysis or programming. Pricing good for 90 days.

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)

Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$125.00	2	\$250.00
Programming Database & Setup	\$125.00	2	\$250.00
Toll Free Setup*	\$132.72	1	\$132.72
Call Center & Long Distance	\$2.00	56	\$112.00
NCOA (USPS)	\$255.00	2	\$510.00
Total			\$1,254.72

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage / Translation / Reporting

Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$125.00	2	\$250.00
Data Merge & Duplication Scrub	\$0.50	800	\$400.00
Notice Packet & Opt-Out Form	\$0.95	800	\$760.00
Estimated Postage (up to 2 oz.)*	\$0.74	800	\$592.00
Static Website	\$250.00	1	\$250.00
Language Translation	\$1,000.00	1	\$1,000.00
Total			\$3,252.00

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Associate	\$55.00	2	\$110.00
Skip Tracing Undeliverables	\$2.00	60	\$120.00
Remail Notice Packets	\$0.95	60	\$57.00
Estimated Postage	\$0.74	60	\$44.40
Programming Undeliverables	\$50.00	2	\$100.00
Total			\$431.40

Database Programming / Processing Opt-Outs, Deficiencies or Disputes

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	\$135.00	2	\$270.00
Non Opt-Out Processing	\$200.00	1	\$200.00
Case Associate	\$55.00	2	\$110.00
Opt-Outs/Deficiency/Dispute Letters	\$10.00	5	\$50.00
Case Manager	\$75.00	2	\$150.00
Total			\$780.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	\$135.00	2	\$270.00
Disbursement Review	\$135.00	2	\$270.00
Programming Manager	\$95.00	3	\$285.00
QSF Bank Account & EIN	\$100.00	2	\$200.00
Check Run Setup & Printing	\$125.00	4	\$500.00
Mail Class Checks *	\$1.00	792	\$792.00
Estimated Postage	\$0.74	792	\$586.08
Total			\$2,903.08

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$125.00	2	\$250.00
Remail Undeliverable Checks (Postage Included)	\$1.50	79	\$118.80
Case Associate	\$50.00	3	\$150.00
Reconcile Uncashed Checks	\$75.00	2	\$150.00
Conclusion Reports	\$150.00	2	\$300.00
Case Manager Conclusion	\$80.00	2	\$160.00
Final Reporting & Declarations	\$125.00	2	\$250.00
IRS & QSF Annual Tax Reporting * (1 State Tax Reporting Included)	\$1,000.00	1	\$1,000.00
Total			\$2,378.80

* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibility.

Estimate Total: \$11,000.00



TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality. Additional class members are \$10.00 per opt-out.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.