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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SANTA CRUZ

JUANA MATIAS, CARMEN CHAVEZ FERNANDEZ, YOLANDA MEMBRENO DE AYALA, MARIA RODRIGUEZ DE PAZ, HANNAH KNOERZER, HERIBERTO CHAVEZ RODRIGUEZ, GRACIELA LOPEZ, individually, and on behalf of other members of the general public similarly situated, and as aggrieved employees pursuant to the Private Attorneys General Act ("PAGA"), Plaintiffs, v. HOSPITALITY STAFFING SOLUTIONS, LLC, a Delaware limited liability company; KELLERMEYER BERGENSONS SERVICES, LLC, a Delaware limited liability company; and DOES 1 through 10, inclusive, Defendants.	CASE NO.: 23CV00490 [Assigned for all purposes to Hon. Timothy Schmal in Dept. 10] **DECLARATION OF VEDANG J. PATEL IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT AND PROVISIONAL CLASS CERTIFICATION FOR SETTLEMENT PURPOSES ONLY**

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DECLARATION OF VEDANG J. PATEL

1. I am an attorney at law, duly licensed to practice before all the Courts of the State of California, I am a Partner and Senior Managing Attorney at Bibiyan Law Group, P.C., counsel for plaintiffs Juana Matias, Carmen Chavez Fernandez, Yolanda Membreno de Ayala, Hannah H. Knoerzer, Heriberto Chavez Rodriguez, Maria Rodriguez de Paz and Graciela Lopez (collectively, "Plaintiffs"), and all others similarly situated and aggrieved. As such, I am familiar with the file in this matter and, if called as a witness, I could and would competently testify to the following facts of my own personal knowledge.

2. On or around October 14, 2022, plaintiff Hannah H. Knoerzer filed a class action complaint in the Riverside County Superior Court, captioned *Knoerzer v. Hospitality Staffing Solutions, LLC, et al.*, Case No. CVRI2204503, alleging causes of action against Walgreens Specialty Pharmacy, LLC (erroneously sued as "Walgreen Specialty Pharmacy, LLC") and defendant Hospitality Staffing Solutions, LLC ("HSS"), for: (1) violation of the Fair Credit Reporting Act for failure to make proper disclosures; (2) violation of the Fair Credit Reporting Act for failure to obtain proper authorizations; (3) violation of ICRAA for failure to make proper disclosures; (4) failure to pay minimum wages; (5) failure to pay overtime wages; (6) failure to provide meal periods or compensation in lieu thereof; (7) failure to provide rest periods or compensation in lieu thereof; (8) failure to timely pay wages during employment; (9) failure to pay all wages due upon separation from employment; (10) failure to provide accurate wage statements; and (11) engaging in unfair competition (the "Knoerzer Action").

3. Also, on or around on October 14, 2022, plaintiff Hannah H. Knoerzer filed with the LWDA and served on defendants HSS and Kellermeyer Bergensons Services, LLC ("KBS," and collectively with HSS, "Defendants"), and Staffing Solutions, LLC, and HIS Hospitality Services, Inc., a notice under Labor Code section 2699.3, stating she intended to serve as a proxy of the LWDA to recover civil penalties on behalf of Aggrieved Employees for alleged Labor Code violations ("Knoerzer PAGA Notice").

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4. On or around December 21, 2022, after sixty-five (65) days had passed without any action by the LWDA with respect to the Labor Code violations alleged in the Knoerzer PAGA Notice, plaintiff Hannah H. Knoerzer filed a First Amended Complaint in the Knoerzer Class Action, adding PAGA claims set forth in the Knoerzer PAGA Notice. On January 20, 2023, defendant HSS filed a Notice of Removal to the United States District Court for the Central District of California. On April 11, 2024, the Court granted the Parties' stipulation for dismissal of the class claims, to compel plaintiff Hannah H. Knoerzer's individual claims to arbitration, and to stay the representative PAGA claims pending completion of arbitration.

5. On or around January 9, 2023, plaintiff Heriberto Chavez Rodriguez filed with the LWDA and served on Montage Laguna Beach, LLC, and defendant HSS a notice under Labor Code section 2699.3, stating he intended to serve as a proxy of the LWDA to recover civil penalties on behalf of Aggrieved Employees for alleged Labor Code violations ("Rodriguez PAGA Notice"). A true and correct copy of the Rodriguez PAGA Notice is attached hereto as Exhibit 3.

6. On or around January 10, 2023, plaintiff Heriberto Chavez Rodriguez filed a wage and hour class action complaint in the Orange County Superior Court, captioned *Heriberto Chavez Rodriguez v. Montage Laguna Beach, LLC, et al.*, Case No. 30-2023-01300904-CU-OE-CXC, alleging causes of action against Montage Laguna Beach, LLC, and defendant HSS for: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods or compensation in lieu thereof; (4) failure to provide rest periods or compensation in lieu thereof; (5) failure to pay all wages due upon separation from employment; (6) failure to provide accurate wage statements; (7) failure to timely pay wages during employment; (8) failure to indemnify for business expenses; (9) engaging in unfair competition (the "Rodriguez Class Action").

7. On or around March 15, 2023, after sixty-five (65) days had passed without any action by the LWDA with respect to the Labor Code violations alleged in the Rodriguez PAGA Notice, plaintiff Heriberto Chavez Rodriguez filed a separate representative action under the California Private Attorneys General Act ("PAGA") against Montage Laguna Beach, LLC, and defendant HSS, in the Orange County Superior Court, captioned *Heriberto Chavez Rodriguez v.*

Montage Laguna Beach, LLC, et al., Case No. 30-2023-01312472-CU-OECXC, for the Labor Code violations set out in the Rodriguez PAGA Notice (the "Rodriguez PAGA Action").

8. On or around February 28, 2023, plaintiffs Juana Matias, Carmen Chavez Fernandez and Yolanda Membreno de Ayala commenced this action by filing a class action complaint alleging causes of action against Defendants for: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods or compensation in lieu thereof; (4) failure to provide rest periods or compensation in lieu thereof; (5) failure to timely pay wages during employment; (6) failure to pay all wages due upon separation from employment; (7) failure to provide accurate wage statements; (8) failure to maintain payroll records; (9) failure to provide reporting time pay; (10) failure to indemnify for business expenses; (11) engaging in unfair competition and unlawful business practices in violation of the California Business and Profession Code section 17200, *et seq*. (the "Matias Action").

9. On or around March 30, 2023, plaintiffs Juana Matias, Carmen Chavez Fernandez and Yolanda Membreno de Ayala filed with the LWDA and served on Defendants their respective notices under Labor Code section 2699.3, stating they intended to serve as proxies of the LWDA to recover civil penalties on behalf of Aggrieved Employees for alleged Labor Code violations ("Matias PAGA Notice," "Fernandez PAGA Notice" and "de Ayala PAGA Notice," respectively). On July 26, 2022, plaintiff Maria Rodriguez de Paz filed with the LWDA and served on Defendants a notice under Labor Code section 2699.3, stating she intended to serve as a proxy of the LWDA to recover civil penalties on behalf of Aggrieved Employees for alleged Labor Code violations ("de Paz PAGA Notice").

10. On or around June 6, 2023, after sixty-five (65) days had passed without any action by the LWDA with respect to the Labor Code violations alleged in the Matias PAGA Notice, Fernandez PAGA Notice and de Ayala PAGA Notice, plaintiffs Juana Matias, Carmen Chavez Fernandez and Yolanda Membreno de Ayala filed a First Amended Complaint in the Matias Action, adding PAGA claims set forth in the Matias PAGA Notice, Fernandez PAGA Notice and de Ayala PAGA Notice. On June 22, 2024, plaintiffs Juana Matias, Carmen Chavez Fernandez and Yolanda

Membreno de Ayala filed a Second Amended Complaint in the Matias Action, adding Maria Rodriguez de Paz as a named plaintiff.

11. On or around September 25, 2023, plaintiff Graciela Lopez filed with the LWDA and served on defendant KBS a notice under Labor Code section 2699.3, stating she intended to serve as a proxy of the LWDA to recover civil penalties on behalf of Aggrieved Employees for alleged Labor Code violations ("Lopez PAGA Notice"). The Knoerzer PAGA Notice, Rodriguez PAGA Notice, Matias PAGA Notice, Fernandez PAGA Notice, de Ayala PAGA Notice, de Paz PAGA Notice and Lopez PAGA Notice are hereinafter collectively referred to as the "PAGA Notices."

12. On or around November 30, 2023, after sixty-five (65) days had passed without any action by the LWDA with respect to the Labor Code violations alleged in the Lopez PAGA Notice, plaintiff Graciela Lopez filed a representative action under PAGA against defendant KBS in the Santa Clara County Superior Court, captioned *Graciela Lopez v. Kellermeyer Bergensons Services, LLC*, Case No. 23CV426594, for the Labor Code violations set out in the Lopez PAGA Notice (the "Lopez PAGA Action").

13. On or around January 5, 2024, plaintiff Graciela Lopez filed a wage and hour class action complaint in the Tulare County Superior Court, captioned *Graciela Lopez v. Kellermeyer Bergensons Services, LLC*, Case No. VCU304923, alleging causes of action against defendant KBS for: (1) failure to provide meal periods or compensation in lieu thereof; (2) failure to provide rest periods or compensation in lieu thereof; (3) failure to indemnify for business expenses; (4) failure to pay all wages due upon separation from employment; (5) failure to provide accurate wage statements; and (6) engaging in unfair competition (the "Lopez Class Action").

14. Thereafter, Plaintiffs and Defendants (collectively, the "Parties") agreed to exchange informal discovery and attend mediation.

15. Prior to mediation, Plaintiffs obtained, through informal discovery: (1) time and payroll records for approximately 25% of putative class members during the Class Period; (2) data points, including the number of putative class members, Workweeks, Pay Periods and shifts during the Class Period, and the number of putative class members separated from employment in the

waiting time penalty period, the number of Pay Periods during the PAGA Period, and the average regular hourly rate of pay; (3) Defendants' applicable wage and hour policy documents; and (4) all documents pertaining to Plaintiffs available to Defendants.

16. Class Counsel believe the investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Co.* (1996) 48 Cal. App. 4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal. App. 4th 116, 129-130 ("Dunk/Kullar*"*).

17. On or around September 27, 2024, the Parties participated in a full-day mediation presided over by Michael E. Dickstein, Esquire, a well-regarded mediator experienced in mediating complex labor and employment matters. With the aid of the mediator's evaluation, the Parties successfully reached a global settlement to resolve the actions.

18. As part of the Agreement, the Parties further agreed to stipulate to plaintiffs Juana Matias', Carmen Chavez Fernandez's, Yolanda Membreno de Ayala's and Maria Rodriguez de Paz's filing a Third Amended Complaint in the Matias Action, adding plaintiffs Hannah H. Knoerzer, Heriberto Chavez Rodriguez and Graciela Lopez as named plaintiffs, and adding the allegations set forth in the Knoerzer Action, the Rodriguez Class Action, the Rodriguez PAGA Action, the Lopez PAGA Action, and the Lopez Class Action, for the purpose of settlement approval. Within five (5) business days of the Court's order granting Final Approval of the Settlement, plaintiff Hannah H. Knoerzer will dismiss the Knoerzer Action; plaintiff Heriberto Chavez Rodriguez will dismiss the Rodriguez Class Action and the Rodriguez PAGA Action; and plaintiff Graciela Lopez will dismiss the Lopez PAGA Action and the Lopez Class Action.

19. On or around March 5, 2026, plaintiffs Juana Matias, Carmen Chavez Fernandez, Yolanda Membreno de Ayala and Maria Rodriguez de Paz filed a First Amended Complaint in the Matias Action pursuant to the Agreement. The Third Amended Complaint in the Matias Action is the Operative Complaint.

20. After full execution of the Settlement Agreement, the Parties met and conferred regarding the payment plan for Defendants. The Parties agreed to modify the payment plan to fund the Settlement such that payment shall be made in two (2) payments. To that effect, the Parties executed an Amendment to the Settlement Agreement ("Amendment"). The Amendment is attached

to the Patel Decl. as Exhibit 2.

21. Class Counsel have conducted significant investigation of the law and facts relating to the claims asserted in the Actions and the PAGA Notices, and have concluded that the Settlement is fair, reasonable, adequate, and in the best interests of the Settlement Class, taking into account the sharply contested issues involved, the expense and time necessary to litigate the Actions through trial and any appeals, the risks and costs of further litigation of the Action, the risk of an adverse outcome, the uncertainties of complex litigation, the information learned through informal discovery regarding Plaintiffs' allegations, and the substantial benefits to be received by Settlement Class Members.

The Proposed Settlement

22. Subject to Court approval pursuant to Code of Civil Procedure section 382 and California Rules of Court, rule 3.679, *et seq.*, the Parties have agreed to settle the Action by agreement upon the terms and conditions, and for the consideration set forth in the Agreement, a copy of which is attached hereto as Exhibit "1." A summary of the terms of the settlement are as follows:

Defendants will stipulate, for purpose of this settlement only, as follows:

- Certification of a class ("Settlement Class," "Settlement Class Members" or "Class Members") comprised of: (1) "HSS Class Members," defined as all current and former non-exempt, hourly paid employees who worked for Hospitality Staffing Solutions, LLC ("HSS"), in California at any time during the period from November 9, 2021 through December 26, 2024 ("HSS Class Period"); and (2) "KBS Class Members," defined as all current and former non-exempt, hourly paid employees who worked for Kellermeyer Bergensons Services, LLC ("KBS"), in California at any time during the period from January 20, 2022 through December 26, 2024 ("KBS Class Period"). The HSS Class Period and the KBS Class Period are hereinafter collectively referred to as the "Class Period."
- Defendants will pay $9,750,000.00 ("Gross Settlement Amount") to resolve the matter.

- Defendants represent that Class Members worked approximately 682,092 Workweeks between November 9, 2021 and September 27, 2024. In the event that the actual number of Workweeks worked between November 9, 2021 and December 26, 2024 (the end of the Class Period) increases by more than ten percent (10%) above 682,092, Defendants will at their option either (a) agree to increase the Gross Settlement Amount on a proportional basis for the percentage increase over ten percent (10%) (for example, if the number is 11% higher, the Gross Settlement Amount will be increased by 1%), or (b) agree to shorten and close the Class Period and PAGA Period on the date that is closest to without exceeding 750,301 Workweeks so as to eliminate the need to increase the Gross Settlement Amount. Defendants must notify Class Counsel and the Court of its 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.
- Defendants will pay the employer's share of taxes separate and apart from the Gross Settlement Amount.
- This is a non-reversionary settlement.
- Class Members will be paid their *pro rata* share of the class action settlement based on the total number of Workweeks worked during the Class Period.
- "Workweek" means any week during which a Class Member or Aggrieved Employee worked for Defendants for at least one day, during the Class Period. All Class Members will be deemed to have worked during at least one Workweek during the Class Period, and all Aggrieved Employees will be deemed to have worked during at least one Workweek during the PAGA Period.
- The Settlement Administration costs, estimated not to exceed $75,000.00, will be paid out of the Gross Settlement Amount.
- Class Counsel, comprised of Bibiyan Law Group, P.C., James Hawkins APLC, Capstone Law APC, and Haines Law Group, APC, apply for, and Defendants will not oppose, attorneys' fees of one third (1/3) of the Gross Settlement Amount, which, unless escalated pursuant to the Settlement Agreement, amounts to $3,250,000.00, and

actual costs, not to exceed $55,000.00, all of which will be paid out of the Gross Settlement Amount.

- Class Counsel hereby apply for, and Defendants will not oppose, a service award of up to $10,000.00 each to plaintiffs Juana Matias, Carmen Chavez Fernandez, Yolanda Membreno de Ayala, Hannah H. Knoerzer, Heriberto Chavez Rodriguez, Maria Rodriguez de Paz, and Graciela Lopez, for a total of $70,000.00 to Plaintiffs, which will be paid out of the Gross Settlement Amount.
- "Aggrieved Employees" are comprised of: (1) "HSS Aggrieved Employees," defined as all current and former non-exempt, hourly paid employees who worked for HSS in California at any time during the period from November 9, 2021 through December 26, 2024 ("HSS PAGA Period"); and (2) "KBS Aggrieved Employee," defined as all current and former non-exempt, hourly paid employees who worked for KBS in California at any time during the period from January 20, 2022 through December 26, 2024 ("KBS PAGA Period"). The HSS PAGA Period and the KBS PAGA Period are hereinafter collectively referred to as the "PAGA Period."
- Defendants have agreed to pay $200,000.00 as PAGA penalties, seventy-five percent (75%) or $150,000.00 of which will be paid to the LWDA out of the Gross Settlement Amount, and twenty-five percent (25%) or $50,000.00 of which will be distributed to the Aggrieved Employees.
- For any Participating Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date (180 days after the date of mailing), 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 and/or Aggrieved Employee thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384 (b).

Settlement Agreement and Accompanying Documents

23. Attached hereto as Exhibit "1" is a true and correct copy of the Agreement fully executed by the Parties. Attached as Exhibit 2 is the Amendment to the Agreement.

24. Attached to the Agreement (Exhibit 1) as Exhibit "A" thereto is the proposed Notice of Class Action Settlement and Hearing Date for Final Court Approval ("Class Notice") to be distributed to Class Members in English and Spanish.

25. The Parties have agreed to use CPT Group, Inc. ("CPT"), an experienced settlement administrator, to administer the settlement.

The Settlement was Negotiated at Arms-Length and not Collusive

26. The Settlement that has been reached, subject to this Court's approval, is a product of substantial efforts by the Parties and their counsel. The Settlement was reached after extensive factual and legal investigation and research; the exchange of informal discovery; substantial negotiation regarding the scope of informal discovery; exchange of documents and information that included review of time and pay records and analysis thereof with the aid of Plaintiffs and expert consultant; analysis of shifts and Workweeks worked by Class Members in the Class Period, analysis of the number of pay periods and number of Aggrieved Employees in the PAGA Period for calculating PAGA penalties, number of Class Members eligible for wage statement penalties and waiting time penalties; an analysis of Plaintiffs' employment records; extensive correspondence and communication between counsel; a review of pleadings, evidence and rulings in similar actions litigated elsewhere in the state; a review of similar cases in the same industry elsewhere in the country; and preparation for and attendance at a full-day mediation, followed by further discussions and coordination to finalize the terms and conditions of the general settlement parameters agreed to by the Parties.

27. While Class Counsel believe in the chance of success of certifying the claims, Class Counsel recognized the potential risk, expense and complexity posed by further litigation. Moreover, litigating Plaintiff's claims in this litigation—claims that involve approximately 18,553 Class Members during the Class Period—would require substantial preparation and discovery, and ultimately would involve the deposition and presentation of numerous more witnesses (including Class Members and expert witnesses), as well as the consideration, preparation and analysis of expert reports. Therefore, should litigation have progressed any further, there would have been significant expense incurred by each side (above and beyond the expense already incurred).

The Settlement Amount is Well Within the Range of Reasonableness

28. The settlement amount reached in this case provides significant recovery to Class Members and Aggrieved Employees, and easily falls within the range of reasonableness. Based on documents and information provided by Defendants, Class Counsel understand, as of the date of the mediation, there are no more than 682,092 Workweeks during the Class Period.

Unpaid Wages for Failure to Pay Off-the-Clock Work

29. Class Counsel theorized, based on Class Members' narrative evidence and documents produced by Defendants, that Defendants failed to pay all wages due to Class Members because Defendants required Class Members to work off-the-clock or Class Members spent time off-the-clock under Defendants' control, including, without limitation: (1) donning and doffing of company shirt, name tag, vest and, during Covid-19 pandemic, a mask, before clocking in and after clocking out; (2) waiting in line for Covid-19 screening, including temperature checks; (3) waiting in lines to clock in and out through any of the following: (a) a timesheet, consisting a master list of employees, on which employees would manually record their time, (b) a single online timeclock system at a worksite, or (c) a phone at the back office of the work site towards which employees would walk to input the needed information for clocking in and out; and (4) performing post-shift duties, such as cleaning their work areas, answering work-related questions from supervisors and attending to clients' concerns, all without pay.

30. One theory advanced by Class Counsel alleged, based on Class Members' narrative evidence, that Class Members worked off-the-clock for a conservative estimate of three (3) minutes each shift throughout the Class Period, without pay. Class Counsel understand, based on time and payroll records produced by Defendants and analysis thereof by expert data consultants retained by Class Counsel, that there were approximately 3,135,741 shifts during the Class Period, 29.7% of which were over eight (8) hours in length, and Class Members had an average regular hourly rate of pay of $17.50. Thus, one calculation performed by Class Counsel resulted in Defendants' exposure for unpaid off-the-clock work in a conservative amount of $5,080,096 ([3,135,741 shifts x 0.297 shifts over eight hours x 0. 05 hour x $17.50 x 1.5 overtime rate] + [3,135,741 shifts x 0.703 shifts under eight hours x 0. 05 hour x $17.50 x 2 in liquidated damages]).

31. Class Counsel understand that Defendants make the following defenses in connection with this claim: Defendants contend that their policies specifically prohibit off-the-clock work. Defendants contend that they did not require Class Members to work off-the-clock and, rather, they were paid for all time suffered or permitted to work. Defendants contend that temperature checks and Covid-19 health screens were not compensable time pursuant to *Frlekin v. Apple Inc*. (2020) 8 Cal.5th 1038 because a Court must consider whether the time spent is for the benefit of the employee or the employer, and that the temperature checks were being performed for the safety of employees, not for the benefit of Defendants. Moreover, Defendants contend that the time it took to go through Covid-19 protocols was *de minimis* and that temperature checks were only in place during a portion of the Class Period. Defendants contend that Class Members could and did take their uniforms home, and those that donned and doffed them at the premises did so on-the-clock, as required by the policies. Defendants assert that they provided enough timesheets, online timeclock system and phones at their facilities, and Class Members would not have been required to wait in line for clocking in before their shifts. Finally, Defendants contend that any allegations that Class Members were required to be under Defendants' control off-the-clock would necessitate an individualized inquiry into when and why, making this claim not subject to class treatment and any trial in this Litigation unmanageable. Thus, Defendants contend that no damages can be recovered here, and, even if, *arguendo*, they could, an estimate of three (3) minutes of unpaid work off-the-clock of Class Members for every single shift during the Class Period is a wild exaggeration of time spent working off-the-clock if *any* such time was spent. Finally, Defendants contend that many Class Members signed valid arbitration agreements and thus a class action is not tenable here.

Recovery of Damages for Non-Compliant Meal Periods

32. Class Counsel theorized, based on documents produced by Defendants and Class Members' narrative evidence, that Defendants' meal period policies and practices throughout the Class Period were non-compliant. Class Counsel understand from Defendants' policy documents, that Defendants' meal period policies did not provide premium pays for late, short or missed meal periods. Class Counsel theorized, based on Class Members' narrative evidence, that Defendants' meal period practices throughout the Class Period were non-compliant because meal periods were

late, short or missed due to: (1) the nature of Defendants' business being in the service industry, such that Class Members were expected to be at the beck and call of every client as they were needed; (2) the distance from the workstations to the timeclocks and break areas; (3) Defendant's practice of recording synthetic time entries for meal periods, i.e., Defendant required Class Members to fill out their time sheets, or management altered Class Members' timesheets, with inaccurate time entries for meal periods to avoid meal premium payments; (4) Defendants' practice of auto-deducting meal periods regardless of whether compliant meal periods were actually taken; and (5) Defendants' practice of a "lock-out system" in online timeclocks preventing Class Members from clocking in from meal periods before the 30-minute period ran to avoid meal premium payments.

33. Class Counsel theorized, based on documents produced by Defendants and analysis thereof by expert data consultants retained by Class Counsel that 1,151,602 (44.1%) of 2,611,285 meal-eligible shifts had unique facial meal break violations (late, short, or missed meal periods) and there were 1,077 meal period premium payments made by Defendants. Thus, one calculation advanced by Class Counsel resulted in Defendants' exposure for unique facial meal period violations in the approximate amount of $18,887,243 ([1,080,348 unique facial meal break violations – 1,077 meal period premium payments] x $17.50/hour).

34. Class Counsel understand that Defendants make the following defenses in connection with this claim: Defendants argue that they had compliant meal period policies and practices. Defendants argue that Class Members took timely and full meal periods. Defendants contend that their policy requires their employees to take timely and full meal periods. Defendants further contend that any instance of a Class Member failing to take a compliant meal period was voluntary, in violation of their meal period policy, would necessitate an individualized inquiry and would not lend itself to a manageable trial. Thus, Defendant contends that *no* monies are owed for this account but, even if any amounts were due, the amount calculated by Class Counsel is excessive. Finally, Defendants contend that many Class Members signed valid arbitration agreements and thus a class action is not tenable here.

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Recovery of Damages for Non-Compliant Rest Periods

35. Class Counsel theorized, based on documents produced by Defendants and Plaintiffs' narrative evidence, that Defendants' rest period policies and practices throughout the Class Period were non-compliant because rest periods were on-duty and Class Members were not allowed to leave the premises during rest periods. Notably, there were no rest period premiums ever issued throughout the Class Period.

36. One calculation performed by Class Counsel resulted in, assuming a 40% violation rate for the 2,981,624 rest-eligible shifts, Defendants' exposure for failure to provide compliant rest periods in a conservative amount of $20,871,368 (2,981,624 shifts x 0.40 violation rate x $17.50/hour).

37. Class Counsel understand that Defendants make the following defenses in connection with this claim: Defendants argue that they had compliant rest period policies and practices. Defendants argue that Class Members took timely and full rest periods. Defendants contend that their policy requires their employees to take timely and full rest periods. Defendants further contend that any instance of a Class Member failing to take a compliant rest period was voluntary, in violation of their rest period policy, would necessitate an individualized inquiry and would not lend itself to a manageable trial. Finally, Defendants contend that a 40% violation rate is a wild exaggeration of non-compliant rest periods, if there were any. Thus, Defendants contend that *no* monies are owed for this account but, even if any amounts were due, the amount calculated by Class Counsel is excessive. Finally, Defendants contend that many Class Members signed valid arbitration agreements and thus a class action is not tenable here.

Wage Statement Violations

38. Class Counsel theorized that Class Members are entitled to recover penalties for Defendants' alleged failure to issue compliant wage statements under Labor Code section 226, subdivision (e), for the derivative impact of the failure to pay all wages owed on providing accurate information on wage statements. Specifically, Class Counsel theorized that penalties are owed under Labor Code section 226 due to, at minimum, Defendants' failure to pay premium wages. A non-exempt employee suffering injury as a result of a knowing and intentional failure

by an employer to comply with Labor Code section 226, 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. Class Counsel understand from the data provided by Defendants that there were 224,111 pay periods during the relevant statutory time period for Class Members. If, in fact, Class Members worked every off-the-clock every shift as set forth above, and no rest premiums were paid, every wage statement would thus, Class Counsel theorized, violate Labor Code section 226. Thus, one calculation performed by Class Counsel, applying an initial violation rate of $50 per pay period and assuming a 40% violation rate, resulted in Defendants' maximum exposure for wage statement violations in the amount of $4,482,220 (224,111 pay periods x $50/pay period x .40 violation rate).

39. Class Counsel understand that Defendants make the following defenses in connection with this claim: Defendants contend that the wage statements issued to the employees fully complied with Labor Code section 226. Defendants contend that because they believe no wages are unpaid that, thus, there can be no derivative penalties. However, Class Counsel also understand the risks inherent in this claim if the above claims were not certified. Class Counsel also had to factor in, and did factor in, the risk that the Court would find there was no injury to Class Members even if the wage statements were inaccurate or that Defendants' conduct was not intentional, both of which are requirements of Labor Code section 226 before penalties can issue. Class Counsel also note that all Class Members did not work all pay periods and, therefore, do not qualify for the maximum penalty of $4,000 as calculated in Plaintiffs' exposure model used at mediation. Finally, Defendants contend that many Class Members signed valid arbitration agreements and thus a class action is not tenable here.

Waiting Time Penalties

40. Pursuant to Labor Code sections 201, 202 and 203, each employee in the relevant statutory period (*i.e.*, three years before the filing of the initial Complaint) is entitled to 30 days' worth of wages as waiting time penalty for not being paid all wages due upon separation from employment. Class Counsel theorized, based on relevant documents provided by Defendants, that,

under Labor Code section 203, Defendants are liable to pay each Class Member, who was terminated during the relevant statutory period, a full 30-day worth of wages as waiting time penalty for failure to pay compensation in lieu of compliant meal and rest periods, and failure to timely pay all wages due at the time of termination or resignation. Based on relevant documents provided by Defendants, there were approximately 10,600 Class Members who were terminated or resigned during the relevant statutory period. Thus, one calculation performed by Class Counsel, assuming a 40% violation rate, resulted in Defendants' exposure for waiting time penalties to be approximately $17,808,000 (10,600 separated Class Members x $17.50/hour x 8 hours x 30 days).

41. Class Counsel understand that Defendants contend that there is no credence to Plaintiffs' off-the-clock theory and that, thus, no waiting time penalties are owed based on that theory. Finally, Defendants contend that their actions were not "willful" and that, thus, waiting time penalties cannot be awarded. Thus, Defendants argued that no waiting time penalties are owed. Finally, Defendants contend that many Class Members signed valid arbitration agreements and thus a class action is not tenable here.

PAGA Penalties

42. Class Counsel understand, as of the date of mediation, from the time and payroll data provided by Defendants that Aggrieved Employees collectively worked 240,727 Pay Periods in the PAGA Period. Plaintiffs' claims in the Action under PAGA are substantially similar to those described herein. PAGA penalties include penalties for initial violations and subsequent violations. Defendants contend that only initial violation rates may be used instead of the subsequent violation rates initially used by Class Counsel. With this in mind and because Class Counsel through investigation and discovery did not come to the conclusion that Defendants at any time were notified by any governmental entity that they violated any Labor Code sections presented in the PAGA Notices and PAGA claims, Class Counsel adjusted the exposure model for Defendants to include only initial violation rates.

43. While Class Counsel are informed and believe that reasonable minds differ with regard to calculation of PAGA penalties, Class Counsel believe it is reasonable to calculate Defendants' maximum exposure in PAGA penalties as follows:

a. Overtime Violations: Labor Code section 558 prescribes penalties of $50 for an initial violation and $100 for each subsequent violation. Using the initial pay period rate for all violations, and a violation every single pay period for every single non-exempt employee in the PAGA Period, this amounts to a maximum exposure of $12,036,350 (240,727 pay periods x $50).

b. Minimum Wage Violations: Labor Code section 1197.1 prescribes penalties of $100 for an initial violation and $250 for each subsequent violation. Using the initial pay period rate for all violations and a violation every single pay period for every single Aggrieved Employee in the PAGA Period, this amounts to a maximum exposure of $24,072,700 (240,727 pay periods x $100).

c. Meal Period Violations: Labor Code section 558 prescribes penalties of $50 for an initial violation and $100 for each subsequent violation. Using the initial pay period rate for all violations and a violation every single pay period for every single non-exempt employee in the PAGA Period, this amounts to a maximum exposure of $12,036,350 (240,727 pay periods x $50).

d. Rest Period Violations: Labor Code section 558 prescribes penalties of $50 for an initial violation and $100 for each subsequent violation. Using the initial pay period rate for all violations and a violation every single pay period for every single non-exempt employee in the PAGA Period, this amounts to a maximum exposure of $12,036,350 (240,727 pay periods x $50).

e. Wage Statement Violations: According to *Gunther v. Alaska Airlines, Inc.* (2021) 287 Cal.Rptr.3d 229, in this instance, Labor Code section 2699 would be the appropriate penalty for wage statement violations that are inaccurate, which prescribes penalties of $100 for an initial violation and $200 for each subsequent violation (*Id.* at 247-248). Using the initial pay period rate for all violations and a violation every single pay period for every single Aggrieved Employee in the PAGA Period, this amounts to a maximum exposure of $24,072,700 (240,727 pay periods x $100).

f. Waiting Time Penalties: Labor Code section 2699 prescribes penalties of $100 for an initial violation and $200 for each subsequent violation. Because this violation is merited only at separation of employment, a 100% violation rate would likely include just one violation per employee. The data produced by Defendants indicate that there were approximately 6,788

Aggrieved Employees whose employment was separated during the PAGA Period. This amounts to a maximum exposure of $678,800 (6,788 Aggrieved Employees x $100).

g. <u>Conclusion</u>: In sum, Class Counsel calculated Defendants' total maximum exposure for PAGA violations if the Court were to find a 100% violation rate for every Aggrieved Employee every pay period and not exercise its discretion to reduce any of those penalties to be $84,933,250. Class Counsel understand that Defendants argued the following in connection with this claim: Defendants contend that no PAGA penalties are likely to be awarded and, even if they were, the maximum exposure calculated by Class Counsel is vastly overstated. First, Defendants defend that PAGA penalties cannot and should not be stacked. Second, Defendants assert that individualized issues predominate the PAGA claims, making the claims unmanageable for trial. Third, Defendants deny that a violation for each pay period can be established. Fourth, Defendants contend that a Court is unlikely to exercise its discretion to award civil penalties under PAGA where, as here, there is no conduct shown by Plaintiffs that would show any Labor Code violation by Defendants is knowing and intentional. Defendants insist that this is especially true in the Action where class action damages are available to Class Members, rendering an award of PAGA penalties in addition to class action damages to be double recovery.

44. Class Counsel maintain that it is possible to recover the subsequent violation rate for penalties, that stacking is permissible, and that there is no manageability requirement under PAGA (citing *Estrada v. Royalty Carpet Mills, Inc.*). As such, Class Counsel believe a 90% discount of this claim to be reasonable, resulting in $8,493,325 as a reasonable estimate of the likelihood of what Plaintiffs may recover at trial for PAGA penalties ($84,933,250 x 0.10). See also *Carrington v. Starbucks Corp.*, 30 Cal.App.5th 504, 529 (2018) (upholding trial courts 90% reduction in maximum penalties, from $50 to $5 per initial violation).

Conclusion

45. When including derivative penalties, such as waiting time penalties, wage statement violations, and discretionary PAGA penalties, Class Counsel theorized Defendants' maximum exposure to be approximately $75,622,252.00. In all, Class Counsel obtained a Gross Settlement Amount of $9,750,000.00. Particularly in light of the risks involving obstacles to class

certification, all issues and risks related to liability, the issues with manageability at trial, the discretionary nature of PAGA penalties, and considering the case law regarding fair, reasonable and adequate settlements, Class Counsel strongly believe that the settlement reached is fair, reasonable and adequate, and in the best interest of Class Members.

46. Moreover, $200,000.00 of the Gross Settlement Amount was attributed to PAGA penalties. This allocation was decided mutually by the Parties and the mutual decision was based on: (1) the fact that damages are available for the failure to pay wage claims while only penalties are available for the PAGA claims; (2) the risk that the Court may exercise its discretion to decline to stack PAGA penalties; (3) the risk that the Court may exercise its discretion to not award the full amount of PAGA penalties available; and (4) the risk that the Court may decline to award any PAGA penalties at all in light of the fact that damages are available for Class Members and it may find any further liability against Defendants unnecessarily punitive.

The Proposed Attorneys' Fees and Costs are Reasonable

47. Class Counsel seek an attorneys' fees award of *up to* one third (1/3) of the Gross Settlement Amount, which, unless escalated pursuant to this Agreement, would amount to $3,250,000.00. Class Counsel also seek reimbursement of costs not to exceed $55,000.00.

The Requested Enhancement Awards to the Named Plaintiffs
and Class Representatives are Reasonable

48. I am informed and believe Defendants do not oppose the requested enhancement to Plaintiffs. Class Counsel seek an extremely limited enhancement of up to $10,000.00 each to plaintiffs Juana Matias, Carmen Chavez Fernandez, Yolanda Membreno de Ayala, Hannah H. Knoerzer, Heriberto Chavez Rodriguez, Maria Rodriguez de Paz, and Graciela Lopez, for a total of $70,000.00 to Plaintiffs.

Conditional Certification for Settlement Purposes

Ascertainability

49. Here, the Class Members definition (*i.e.*, (1) "HSS Class Members," defined as all current and former non-exempt, hourly paid employees who worked for HSS, in California at any time during the HSS Class Period; and (2) "KBS Class Members," defined as all current and former

non-exempt, hourly paid employees who worked for KBS, in California at any time during the KBS Class Period) is derived from the operative complaint. Based solely on Defendants's payroll records, there are approximately 18,553 Class Members.

Numerosity

50. Class Counsel understand from documents provided that Defendants identified at least 18,553 Class Members.

Commonality

51. This litigation is brought to resolve common issues that include whether Defendants failed to pay for all hours worked; whether Defendants provided full, timely and un-interrupted meal and rest periods; whether Class Members are entitled to premium pay for incomplete, untimely or interrupted meal or rest periods, among other claims as set forth above.

Typicality

52. Plaintiffs' claims are typical of those of other Class Members as Plaintiffs: (1) are non-exempt, hourly-paid employees like other Class Members; (2) complain of not being paid for all time under Defendants' control or suffered and/or permitted to work for Defendants; (3) did not receive premium pay for meal periods that were not compliant with the Labor Code; (4) did not receive premium pay for rest periods that were not provided, among others as set forth above.

Adequacy of Vedang J. Patel

53. I graduated with a Bachelor of Arts degree in Economics from the University of California, Davis in 2016.

54. I received my Juris Doctorate from the UCLA School of Law in 2019.

55. After graduating from law school, I practiced law as a member of Murchison & Cumming, LLP on a variety of matters on behalf of defendants.

56. Thereafter, I joined Bibiyan Law Group, P.C., practicing law on behalf of plaintiffs in matters of employment law, and specifically on issue of unpaid wages and class action settlements.

57. I am currently a Partner at Bibiyan Law Group, P.C. and head of the Settlement Department. Among other tasks, I oversee and manage all settlements at Bibiyan Law Group, P.C.

I also oversee several attorneys, paralegals, and legal assistants and have overseen the settlement of over one hundred (100) class and PAGA matters while with Bibiyan Law Group, P.C.

58. I have also been appointed as Class Counsel in the past in the following actions:

• *Ramirez v. Sea-win,* Case No. 21STCV22026, California Superior Court, County of Los Angeles, Honorable Lawrence P. Riff presiding;

• *Ortega Chavez v. Winpak Lane, Inc.* Case No. CIVSB2202274, California Superior Court, County of San Bernardino, Honorable Jessica Morgan presiding;

• *Taat v. Acell. Inc.* Case No. 37-2022-00005437-CU-OE-CTL, California Superior Court, County of San Diego, Honorable Matthew Brainer presiding;

• *Jordan v. The Martin-Brower Company.* Case No. 21STCV41435, California Superior Court, County of Los Angeles, Honorable Stuart Rice presiding;

• *Williams v. Marrs.* Case No. 21STCV23775, California Superior Court, County of Los Angeles, Honorable Stuart Rice presiding;

• *Russell v. Staffmark.* Case No. CVRI2103921, California Superior Court, County of Riverside, Honorable Harold Hopp presiding;

•*Ortega Chavez v. Winpak Lane, Inc., et al. Case No. CIVSB2202274,* California Superior Court, County of San Bernardino, Honorable Jessica Morgan presiding;

• *Carrasco v O.H. Barkhordar D.D.S., Inc., et al. Case No. 22STCV21188,* California Superior Court, County of Los Angeles, Honorable Lawrence Riff presiding;

• *Correia v. Gallo Glass Company, et al. Case No. CV-21-006459,* California Superior Court, County of Stanislaus, Honorable Sonny S. Sandhu presiding;

• *Hernandez v Bromley Foods, Inc., et al. Case No. 56-2021-00561326-CU-OE-VTA*, California Superior Court, County of Ventura, Honorable Henr Walsh presiding;

• *Moreno v. Infiniti Group LLC.*, et al. Case No. CIVSB2223551, California Superior Court, County of San Bernardino, Honorable Joseph T. Ortiz presiding;

• *Kelley v. Applus Technologies, Inc., et al. Case No. CIVSB2204889,* California Superior Court, County of San Bernardino, honorable Jessica Morgan presiding;

• *Helaire, et al. v. Smithfield Packaged Meats Corp., et al*. Case No. JCCP5244, California

Superior Court, County of San Bernardino, Honorable Jesica Morgan, presiding;

- *Davood v. NKSFB, LLC.* Case No. 22STCV17305, California Superior Court, County of Los Angeles, Honorable Christopher Lui presiding.

- *Flores v. United Maintenance Company, Inc., et al.* Case No. 21STCV07008, California Superior Court, County of Los Angeles, Honorable Carolyn B. Kuhl presiding;

- *Cabral v.* Laser Care Specialists, A Professional Medical Corporation, et al. Case No. 21STCV25443, California Superior Court, County of Los Angeles, Honorable Carolyn B. Kuhl presiding;

- *Lopez Cabrera v. South Valley Almond Company, LLC, et al.* Case No. BCV-2-100722, California Superior Court, County of Kern, Honorable Bernard C. Barmann, Jr. presiding;

- *Portillo Sanchez v. Paragon Services Janitorial Orange County, LLC, et al.* Case No. 20STCV38562, California Superior Court, County of Los Angeles, Honorable William F. Highberger presiding;

- *Trigueros Garcia v. Highland Plastics, Inc., et al.,* Case No. CVRI2202836, California Superior Court, County of Riverside, Honorable Harold Hopp presiding;

- *Magana Ramirez v. 360 Support Services, et al.* Case No. 22STCV20456, California Superior Court, County of Los Angeles, Honorable Lawrence P. Riff presiding;

- *Helaire v. Smithfield Packaged Meats Corp, et al.* Case No. JCCP5244, California Superior Court, County of San Bernardino, Honorable Jessica Morgan presiding;

- *Hernandez v. Bromley Foods, Inc., et al.* Case No. 56-2021-00561326-CU-OE-VTA, California Superior Court, County of Ventura, Honorable Henry Walsh presiding;

- *Hernandez v. Central Valley Recovery Services, et al.* Case No. VCU290220, California Superior Court, County of Tulare, Honorable Brett Hillman presiding;

- *Kelley v Applus Technologies, Inc., et al.* Case No. CIVSB2204889, California Superior Court, County of San Bernardino, Honorable Jessica Morgan presiding;

- *Mcintosh v. WWL Vehicle Services Americas Inc., et al.* Case No. 56-2022-00562544-CU-OE-VTA, California Superior Court, County of Ventura, Honorable Benjamin Coats presiding;

- *Moore v. Dnata US Inflight Catering LLC, et al.* Case No. CGC-20-586512, California Superior Court, County of San Francisco, Honorable Curtis Karnow presiding;
- *Peterson v. Sorenson Engineering, Inc., et al.* Case No. CIVDS2023994, California Superior Court, County of San Bernardino, Honorable David Cohn presiding;
- *Torres v. Laurel Avenue, LLC, et al.* Case No. CIVSB2202708, California Superior Court, County of San Bernardino, Honorable David Cohn presiding;
- *Ruiz v. Kleen Harvest, Inc., et al.* Case No. 21CV002319, California Superior Court, County of Monterey, Honorable Thomas W. Wills presiding;
- *Russell v. Staffmark Investment LLC, et al.* Case No. CVRI12103921, California Superior Court, County of Riverside, Honorable Harold Hopp presiding;
- *Vargas-Flores v. Barbor Bay Club, Inc., et al.* Case No. 21CV002396, California Superior Court, County of Alameda, Honorable Michael Markman presiding;
- *Low v. Triple Canopy, Inc., et al.* Case No. 37-2023-0007078-CU-OE-CTL, California Superior Court, County of San Diego, Honorable Carolyn Caietti presiding;
- *Lopez v. Bachem Americas, Inc., et al.* Case No. 23STCV04258, California Superior Court, County of Los Angeles, Honorable Laura Seigle presiding;
- *Romero v. Armstrong Installation Service, et al.* Case No. 22CV022519, California Superior Court, County of Alameda, Honorable Noel Wise presiding;
- *Sarmiento, et al. v. Neil Jones Food Company* Case No. 21CECG03825, California Superior Court, County of Fresno, Hon. Kristi Culver Kapetan presiding
- *Mendoza Cendejas v. E. & J. Gallo Winery, et al.* Case No. CV-22-005396, California Superior Court, County of Stanislaus, Honorable Sonny S. Sandhu presiding;
- *Garcia v. Nature Fresh Farms, LLC, et al.* Case No. ECU001961, California Superior Court, County of Imperial, Honorable Jeffery B. Jones presiding;
- *Machuca v. Charleys Philly Steaks, et al.* Case No. FCS057713, California Superior Court, County of Solano, Hon. Christine A. Carringer presiding;
- *Machuca v. Charleys Philly Steaks, et al.* Case No. FCS058064, California Superior Court, County of Solano, Hon. Christine A. Carringer presiding;

- *Olivares v. PCI Industries, LLC*, *et al.* Case No. 22STCV37965, California Superior Court, County of Los Angeles, Hon. Samantha P. Jessner presiding;
- *Sarmiento v. The Neil Jones Food Company., et al.* Case No. 21CECG03825, California Superior Court, County of Fresno, Hon. Kristi Culver Kapetan presiding;
- *Jimenez v. Route 66, Post Acute LLC Agency, LLC., et al.* Case No. 23STCV03441, California Superior Court, County of Los Angeles, Hon. Laura A. Seigle presiding;
- *Diaz v. UCA General Insurance Services, Inc., et al.* Case No. 30-2021-01185227-CU-OE-CXC, California Superior Court, County of Orange, Hon. Randall J. Sherman presiding;
- *Moctezuma v. Direct Line Global, LLC., et al.* Case No. 23CV033075, California Superior Court, County of Alameda, Hon. Michael Markman presiding;
- *Williams v. Fortec Medical, Inc., et al*. Case No. 22CV014116, California Superior Court, County of Alameda, Hon. Michael Markman presiding; *and*
- *Arballo et al. v. California Custom Fruits and Flavors, Inc., et al.* Case No. 22STCV35657, California Superior Court, County of Los Angeles, Hon. Elihu Berle presiding;
- *Boothe et al. v. Lemonade Restaurant Group, LLC, et al.* Case No. 22STCV38302, California Superior Court, County of Los Angeles, Hon. Laura Seigle presiding;
- *Montoya et al. v. FPR II, L.L.C., et al.* Case No. 22CV404499, California Superior Court, County of Santa Clara, Hon. Theodore C. Zayner;
- *Martinez Flores v. APT Maintenance, Inc., et al.* Case No. 22CV024427, California Superior Court, County of Alameda, Hon. Somnath Raj Chatterjee presiding; and

59. I have also settled matters on a "PAGA Only" basis for aggrieved employees in the past, including in:

- *Bailey v. Cannon Constructors,* Case No. 21STCV38274, California Superior Court, County of Los Angeles, Honorable Carolyn Kuhl presiding.
- *Johns v. Whelan Security of California, Inc., et al.* Case No. 22STCV68687, California Superior Court, County of Los Angeles, Honorable Laura Seigle presiding;
- *Carrion v. Clutter, Inc., et al.* Case No. 23STCV06709, California Superior Court, County of Los Angeles, Honorable Kerry Bensinger presiding;

- *Juarez v. Calmet Services, Inc., et al.* Case No. 21STCV33668, California Superior Court, County of Los Angeles, Honorable Kenneth R. Freeman presiding*;*
- *Pattingale v.* Laird Family Estate, LLC et al. Case No. 22CV000048, California Superior Court, County of Napa, Honorable Cynthia P. Smith presiding;
- *London Young v. Amazon.com LLC, et al.* Case No. 21STCV38280, California Superior Court, County of Los Angeles, Honorable Elaine Lu presiding;
- *Latrice Ackles v. Brinker Restaurant Corporation, et al*. Case No. 22STCV19068, California Superior Court, County of Los Angeles, Honorable Gail Killefer presiding;
- *Ruvalcaba v. Rod Fraser Enterprises, Inc., et al.* Case No. 30-2023-01308022-CU-OE-CXC, California Superior Court, County of Orange, Hon. Layne H. Melzer presiding;
- *Rhea et al. v. Stars behavioral health Group, Inc., et al.* Case No. CIVDS2017661, California Superior Court, County of San Bernardino, Hon. Joseph T. Ortiz presiding;

Adequacy of Plaintiff

60. Class Counsel believe no conflicts, disabling or otherwise, exists between Plaintiffs and Class Members because Plaintiffs allege to have been damaged by the same alleged conduct of Defendants (*i.e.*, Plaintiffs are classified as non-exempt, hourly-paid employees, not paid premium pay, etc.) and thus have the incentive to fairly represent all Class Members' claims to achieve the maximum possible recovery.

Superiority of Class Action

61. Class Counsel believe this wage and hour class action is a superior vehicle for resolution of the issues it seeks to resolve. It deals with common issues that are most efficiently adjudicated together, as indicated above. Moreover, with at least 18,553 Class Members, presentation of all of them before this Court may be problematic, impractical, and burdensome.

I declare under penalty of perjury under the laws of the state of California that the foregoing is true and correct this March 26, 2026 at Los Angeles, California.

/s/ Vedang J. Patel
VEDANG J. PATEL

EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between plaintiffs Juana Matias, Carmen Fernandez, Yolanda Membreno de Ayala, Maria Rodriguez de Paz, Heriberto Chavez Rodriguez, Hannah Knoerzer, and Graciela Lopez, (collectively, "Plaintiffs") individually and on behalf of the putative class, the State of California, and the allegedly aggrieved employees, and defendants Hospitality Staffing Solutions, LLC ("HSS") and Kellermeyer Bergensons Services, LLC ("KBS") (collectively, "Defendants"). The Agreement refers to Plaintiffs and Defendants collectively as "Parties," or each individual Plaintiff or Defendant as a "Party."

1. **<u>DEFINITIONS</u>**.

1.1. "Actions" means the Plaintiffs' lawsuits alleging wage and hour violations against Defendants captioned:

1.1.1 *Matias, et al. v. Hospitality Staffing Solutions, LLC, et al.*, Santa Cruz Superior Court, Case No. 23CV00490 ("Matias Action").

1.1.2 *Knoerzer v. Hospitality Staffing Solutions, Inc. LLC, et al.*, Riverside County Superior Court Case No. CVRI2204503 ("Knoerzer Action").

1.1.3 *Heriberto Chavez Rodriguez v. Montage Laguna Beach, LLC, et al.*, Orange County Superior Court Case No. 30-2023-01300904-CU-OE-CXC ("Chavez Action"); and *Heriberto Chavez Rodriguez v. Montage Laguna Beach, LLC, et al.*, Orange County Superior Court Case No. 30-2023-01312472-CU-OE-CXC (collectively, the "Chavez Action").

1.1.4 *Graciela Lopez v. Kellermeyer Bergensons Services, LLC*, Santa Clara Superior Court Case No. 23CV426594; and *Graciela Lopez v. Kellermeyer Bergensons Services, LLC,* Tulare Superior Court Case No. VCU304923 (collectively, the "Lopez Action").

1.2. "Administrator" means CPT Group, Inc., 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(s)" means and refers to all HSS Aggrieved Employees and KBS Aggrieved Employees.

1.5. "Class" or "Class Member" mean and refer to all HSS Class Members and KBS Class Members.

1.6. "Class Counsel" means James Hawkins APLC, Capstone Law APC, Bibiyan Law Group, P.C., and Haines Law Group, APC.

1.7. "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment" mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.8. "Class Data" means Class Member identifying information in Defendants' possession including the Class Member's name, last-known mailing address, Social Security number, and number of Class Period Workweeks.

1.9. "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.10. "Class Notice" means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.11. "Class Period" means (i) as to KBS Class Members, the period from January 20, 2022 through December 26, 2024, and (ii) as to HSS Class Members, the period from November 9, 2021 through December 26, 2024.

1.12. "Class Representatives" means the named plaintiffs Juana Matias, Carmen Fernandez, Yolanda Membreno de Ayala, Maria Rodriguez de Paz, Heriberto Chavez Rodriguez, Hannah Knoerzer, and Graciela Lopez in the operative complaint in the Actions seeking Court approval to serve as Class Representatives.

1.13. "Class Representative Service Payment(s)" means the payments to the Class Representatives for initiating the Actions and providing services in support of the Actions.

1.14. "Court" means the Superior Court of California, County of Santa Cruz.

1.15. "Defendants" means and refers to Hospitality Staffing Solutions, LLC and Kellermeyer Bergensons Services, LLC.

1.16. "Defense Counsel" means Shareef S. Farag and Nicholas D. Poper of Baker & Hostetler LLP.

1.17. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the

Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.18. "Final Approval" 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. "Final Judgment" means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.21. "Gross Settlement Amount" means Nine Million Seven Hundred Fifty Thousand Dollars and Zero Cents ($9,750,000.00), which is the total amount Defendants agree to pay, can ever be required to pay, or can ever cause to be paid, under the Settlement except as provided in Paragraph 9 below and excluding employer payroll taxes owed on the wage portions of the Individual Class Payments. The Gross Settlement Amount will be paid in four equal payments of $2,437,500 and will be used to fund the following payments: Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payments and the Administration Expenses Payment.

1.22. "HSS Aggrieved Employee(s)" mean all current and former non-exempt, hourly paid employees who worked for HSS in California at any time during the PAGA Period.

1.23. "HSS Class Member(s)" means all current and former non-exempt, hourly paid employees who worked for HSS in California at any time during the Class Period.

1.24. "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.25. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.

1.26. "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.27. "KBS Aggrieved Employee(s)" means all current and former non-exempt, hourly paid employees who worked for KBS in California at any time during the PAGA Period.

1.28. "KBS Class Member(s)" means all current and former non-exempt, hourly paid employees who worked for KBS in California at any time during the Class Period.

1.29. "LWDA" means the California Labor and Workforce Development Agency.

1.30. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699(i).

1.31. "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 Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.32. "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.

1.33. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. *et seq*.).

1.34. "PAGA Period" means (i) as to KBS Aggrieved Employees, the period from January 20, 2022 through December 26, 2024, and (ii) as to HSS Aggrieved Employees, the period from November 9, 2021 through December 26, 2024.

1.35. "PAGA Notices" means all of the following: Plaintiff Hannah H. Knoerzer's October 14, 2022, letter to HSS, KBS, Staffing Solutions, LLC, HIS Hospitality Services, Inc., and the LWDA; Yolanda Membreno de Ayala's March 30, 2023, letter to HSS, KBS, and the LWDA; Plaintiff Carmen Chavez Fernandez's March 30, 2023, letter to HSS, KBS, and the LWDA; Plaintiff Juana Matias' March 30, 2023, letter to HSS, KBS, and the LWDA; Maria Rodriguez de Paz's July 26, 2022, letter to HSS, KBS, and the LWDA; Heriberto Chavez Rodriguez's January 9, 2023, letter to HSS, Montage, and the LWDA; and Graciela Lopez's September 25, 2023, letter to KBS and the LWDA.

1.36. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees ($50,000.00) and the 75% to LWDA ($150,000.00) in settlement of PAGA claims.

1.37. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.38. "Plaintiffs" means Juana Matias, Carmen Chavez Fernandez, Yolanda Membreno de Ayala, Hannah H. Knoerzer, Heriberto Chavez Rodriguez, Maria Rodriguez de Paz, and Graciela Lopez, the named Plaintiffs in the Actions.

1.39. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

1.40. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of the Settlement.

1.41. "Released Class Claims" means the claims being released as described in Paragraph 5.2 below.

1.42. "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.

1.43. "Released Parties" means: HSS, KBS, Walgreens Specialty Pharmacy, LLC, and Montage Laguna Beach, LLC, and each of their past and present corporate affiliates, subsidiaries, divisions, related entities, divested business and business units, and the board members, directors, officers, shareholders, owners, employees, agents, representative, attorneys, insurers, predecessors, successors, assigns, and/or any other persons acting on their behalf.

1.44. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the release of class action claims signed by the Class Member.

1.45. "Response Deadline" means 45 days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

1.46. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.47. "Settlement Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.48. "Workweek" means any week during which a Class Member or Aggrieved Employee worked for Defendants for at least one day, during the Class Period. All Class Members will be deemed to have worked during at least one Workweek during the Class Period, and all Aggrieved Employees will be deemed to have worked during at least one Workweek during the PAGA Period.

2. RECITALS.

2.1. On October 14, 2022, Plaintiff Hannah H. Knoerzer filed a purported Class Action Complaint against HSS and Walgreens Specialty Pharmacy, LLC (erroneously sued as "Walgreen Specialty Pharmacy, LLC") alleging claims for: (1) violation of the Fair Credit Reporting Act for failure to make proper disclosures; (2) violation of the Fair Credit Reporting Act for failure to obtain proper authorization; (3) failure to make proper disclosures in violations of ICRAA; (4) failure to pay minimum wages; (5) failure to pay overtime; (6) failure to provide meal breaks; (7) failure to provide rest breaks; (8) failure to timely pay wages during employment; (9) failure to timely pay wages at separation; (10) failure to furnish accurate itemized wage statements; and (11) unfair competition in violation of California Business and Professions Code, Cal. Bus. & Prof. Code §§ 17200, *et seq.* (the "UCL"). On December 21, 2022, Plaintiff Knoerzer filed a First Amended Complaint adding a cause of action for civil penalties pursuant to the PAGA. On January 20, 2023, HSS filed a Notice of Removal to the United States District Court for the Central District of California. On April 11, 2024, the Court granted the parties' stipulation for dismissal of the class claims, to compel

Plaintiff's individual clams to arbitration, and to stay the representative PAGA claim pending completion of arbitration.

2.2. On January 10, 2023, Plaintiff Heriberto Chavez Rodriguez filed a purported Class Action Complaint against HSS and Montage Laguna Beach, LLC in Orange County Superior Court alleging claims for: (1) failure to pay overtime; (2) failure to pay minimum wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) failure to timely pay wages during employment; (6) failure to timely pay wages at separation; (7) failure to furnish accurate itemized wage statements; (8) failure to indemnify business expenditures; and (9) unfair competition in violation of the UCL. On March 15, 2023, Plaintiff Heriberto Chavez Rodriguez filed a related representative PAGA complaint alleging claims for civil penalties predicated on the same alleged Labor Code violations as the class action complaint as well as claims premised on the failure to provide employment records, failure to provide notice required under Labor Code Section 2810.5, failure to provide the proper accrual and use of sick leave, and failure to pay out paid time off and vacation wages at the proper rate of pay.

2.3. On February 28, 2023, Plaintiffs Juana Matias, Carmen Chavez Fernandez, and Yolanda Membreno de Ayala brought a Class Action Complaint against HSS and KBS. The Class Action Complaint brought claims for: (1) failure to pay minimum wages; (2) failure to pay overtime; (3) failure to provide meal breaks; (4) failure to provide rest breaks; (5) failure to timely pay wages during employment; (6) failure to timely pay wages at separation; (7) failure to furnish accurate itemized wage statements; (8) failure to maintain payroll records; (9) failure to provide reporting time pay; (10) failure to indemnify business expenditures; and (11) unfair competition and unlawful business practices in violation of the UCL. On June 6, 2023, Plaintiffs filed a First Amended Complaint adding a cause of action for civil penalties pursuant to the PAGA. On January 22, 2024, Plaintiffs filed a Second Amended Complaint adding Maria Rodriguez de Paz as a Plaintiff on behalf of Aggrieved Employees under the PAGA.

2.4. On November 30, 2023, Plaintiff Graciela Lopez brought a PAGA Representative Action against KBS in Santa Clara County Superior Court for civil penalties based on underlying Labor Code violations for: (1) failure to provide meal periods; (2) failure to provide rest periods; (3) failure to indemnify business expenditures; (4) failure to timely pay wages at separation; (5) failure to provide accurate and itemized wage statements; and (6) unfair competition in violation of the UCL. On January 5, 2024, Plaintiff Graciela Lopez brought a Class Action Complaint against KBS in Tulare County Superior Court for: (1) failure to provide meal periods; (2) failure to provide rest periods; (3) failure to indemnify business expenditures; (4) failure to timely pay wages at separation; (5) failure to provide accurate and itemized wage statements; and (6) unfair competition in violation of the UCL.

2.5. On September 27, 2024, the Parties participated in an all-day global mediation presided over by experienced wage and hour mediator, Michael E. Dickstein, Esq., which ultimately led to this Agreement to settle the Action. The Parties believe this Settlement is a fair, adequate and reasonable settlement of the Actions and have arrived at this Settlement after extensive arms-length negotiations, taking into account all relevant factors, present and potential. The Parties to this Agreement are represented by competent counsel, and they have had an opportunity to consult with counsel prior to its execution.

2.6. Prior to mediation, Plaintiffs obtained, through informal discovery, information and documents regarding time and attendance, payment of wages and overtime, meal and rest periods, paid sick leave, expense reimbursements, and the production of timekeeping and payroll data by Defendants in response to informal requests for purposes of mediation. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.7. The Court in each of the Actions has not granted class certification as no motion for class certification has been filed in the Actions.

2.8. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided, Defendants promise to pay a total sum of Nine Million Seven Hundred Fifty Thousand Dollars ($9,750,000.00) as the Gross Settlement Amount, and will separately pay any and all employer payroll taxes owed 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 this Agreement. The Gross Settlement Amount will be paid in four equal payments of $2,437,500 beginning thirty (30) days after the Court grants Final Approval of the Settlement, with the final payment to be made no later than June 1, 2026. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to 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 Representatives of not more than Ten Thousand Dollars ($10,000.00) to each Class Representative for their effort in bringing and prosecuting this matter, in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member. Defendants will not oppose Plaintiffs' request for Class Representative Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves an amount of Class Representative Service Payments that is less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payments.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be $3,250,000.00 and a Class Counsel Litigation Expenses Payment representing Class Counsel's actual and reasonable litigation costs and expenses up to $55,000.00. 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 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 Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds 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 Administration Expenses Payment not to exceed $75,000.00, 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 $75,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by the total Workweeks worked by each Participating Class Member during the Class Period.

3.2.4.1. Tax Allocation of Individual Class Payments. 15% of each Participating Class Member's 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. The remaining 85% of each Participating

Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payments.

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.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $200,000 to be paid from the Gross Settlement Amount, with 75% ($150,000) allocated to the LWDA PAGA Payment and 25% ($50,000) allocated to the Individual PAGA Payments.

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 ($50,000.00) by the total number of Workweeks worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each Aggrieved Employee's Workweeks worked during the PAGA Period. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payments.

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 30 days after Defense Counsel's receipt of the Court's Order granting Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. 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, including all amounts necessary to fully pay Defendants' share of payroll taxes, by transmitting the funds in four equal payments to the Administrator beginning thirty (30) days after the Effective Date, with final payment to be made no later than June 1, 2026.

4.3. Payments from the Gross Settlement Amount. Within 14 days after Defendants fully fund 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 Payments. 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 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 and including those Aggrieved Employees for whom Class Notice was returned undelivered. The Administrator may send Participating Class Members who are also Aggrieved Employees a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.3.2. The Administrator must conduct a Class Member Address Search for all other Participating Class Members and Aggrieved Employees whose checks are retuned 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 Participating 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 and/or Aggrieved Employee thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384 (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**. Effective on the date when Defendants fully fund the entire Gross Settlement Amount and all employer-side payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Participating Class Members, Aggrieved Employees, and Class Counsel will release claims against all Released Parties as follows:

5.1. Plaintiffs' Release. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from any and all claims and/or theories of liability that have been or could have been alleged or asserted in any of the pleadings that have been filed in the Actions, including any claims and/or theories of liability raised during mediation, based on the facts alleged in any of the pleadings that have been filed in the Actions and in any related notices sent to the LWDA, including, but not limited to, claims for unpaid overtime, unpaid minimum wages, failure to provide meal and rest periods, failure to timely pay wages at termination, failure to timely pay wages during employment, failure to provide compliant wage statements, failure to maintain payroll records, failure to provide reporting time pay, unreimbursed business expenses, unfair and unlawful business practices, and all claims for civil penalties or other remedies recoverable under Labor Code § 2698 *et seq.* (PAGA). The release shall include claims arising under California Labor Code §§ 96, 98.6, 200, 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 222, 222.5, 223, 224, 226, 226.3, 226.7, 232, 232.5, 245, 245.5, 246, 246.5, 247, 247.5, 248, 248.1, 248.2, 248.3, 248.5, 248.6, 248.7, 249, 432, 432.5, 432.6, 510, 512, 516, 558, 558.1, 1102.5, 1174, 1174.5, 1182.12, 1194, 1194.2, 1195, 1197, 1197.1, 1197.5, 1198, 1198.5, 2802, 2804, 2810.3, 2810.5, 6401, 6402, 6403, the California Wage Orders, California Code of Regulations, Title 8, § 11000 *et seq.*, and California Business & Professions Code §§ 16600, 16700, and 17200 *et seq*.

5.2. Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release only, each Plaintiff expressly waives and relinquishes 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.

5.3. Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release and discharge Released Parties from any and all claims and/or theories of liability that have been or could have been alleged or asserted in any of the pleadings that have been filed in the Actions, based on the facts alleged in any of the pleadings that have been filed in the Actions and in any related notices sent to the LWDA, including, but not limited to, claims for unpaid overtime, unpaid minimum wages, failure to provide meal and rest periods, failure to timely pay wages at termination, failure to timely pay wages during employment, failure to provide compliant wage statements, failure to maintain payroll records, failure to provide reporting time pay, unreimbursed business expenses, unfair and unlawful business practices. The release shall include claims arising under California Labor Code §§ 96, 200, 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 222, 222.5, 223, 224, 226, 226.3, 226.7, 232, 232.5, 245, 245.5, 246, 246.5, 247, 247.5, 248, 248.1, 248.2, 248.3, 248.5, 248.6, 248.7, 249, 432, 432.5, 432.6, 510, 512, 516, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1195, 1197, 1197.1, 1197.5, 1198, 1198.5, 2802, 2804, 2810.3, 2810.5, 6401, 6402, 6403, the California Wage Orders, California Code of Regulations, Title 8, § 11000 *et seq.*, and California Business & Professions Code §§ 17200 *et seq.*

5.4. Release by Aggrieved Employees: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from any and all claims and/or theories of liability for PAGA civil penalties that have been or could have been alleged or asserted in any of the pleadings that have been filed in the Actions and in any related notices sent to the LWDA, based on the facts alleged in any of the pleadings that have been filed in the Actions and in any related notices sent to the LWDA, including, but not limited to, PAGA civil penalties for unpaid overtime, unpaid minimum wages, failure to provide meal and rest periods, failure to timely pay wages at termination, failure to timely pay wages during employment, failure to provide compliant wage statements, failure to maintain payroll records, failure to provide reporting time pay, unreimbursed business expenses, unfair and unlawful business practices, and all claims for civil penalties or other remedies recoverable under Labor Code § 2698 *et seq.* (PAGA). The release shall include claims arising under California Labor Code §§ 96, 200, 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 222, 222.5, 223, 224, 226, 226.3, 226.7, 232, 232.5, 245, 245.5, 246, 246.5, 247, 247.5, 248, 248.1, 248.2, 248.3, 248.5, 248.6, 248.7, 249, 432, 432.5, 432.6, 510, 512, 516, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1195, 1197, 1197.1, 1197.5, 1198, 1198.5, 2802, 2804, 2810.3, 2810.5, 6401, 6402, 6403, the California Wage Orders, and California Code of Regulations, Title 8, § 11000 *et seq.*

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 Court's current checklist for Preliminary Approvals.

6.1 Defendants' Declaration in Support of Preliminary Approval. Within 14 days of the full execution of this Agreement, Defendants will prepare and deliver to Class Counsel a signed Declaration from Defendants and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their

Declarations, Defense Counsel and Defendants shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 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 (f)(2); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; and (iii) a draft proposed Class Notice.

6.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 16 court days prior to the date reserved for the hearing on the Motion for Preliminary Approval; 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 and submitting copies of the Motion for Preliminary Approval of the Settlement to the LWDA on the same day that it is filed with the Court.

6.4 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. **CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE.** Defendants represent that Class Members worked approximately 682,092 Workweeks between November 9, 2021 and September 27, 2024. In the event that the actual number of Workweeks worked between November 9, 2021 and December 26, 2024 (the end of the Class Period) increases by more than ten percent (10%) above 682,092, Defendants will at their option either (a) agree to increase the Gross Settlement Amount on a proportional basis for the percentage increase over ten percent (10%) (for example, if the number is 11% higher, the Gross Settlement Amount will be increased by 1%), or (b) agree to shorten and close the Class Period and PAGA Period on the date that is closest to without exceeding 750,301 Workweeks so as to eliminate the need to increase the Gross Settlement Amount. Defendants must notify Class Counsel and the Court of its 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.

8. **SETTLEMENT ADMINISTRATION.**

8.1 Selection of Administrator. The Parties have jointly selected CPT Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, CPT Group, Inc. 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.

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

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

8.4 Notice to Class Members.

8.4.1 No later than three (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, Aggrieved Employees, and Workweeks in the Class Data.

8.4.2 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 used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Members' addresses using the National Change of Address database. The Class Notice shall be provided in English and Spanish.

8.4.3 Not later than three (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.

8.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks, and Requests for Exclusion will be extended an additional 14 days beyond the Response Deadline otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

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

8.5 <u>Class Members' Requests for Exclusion (Opt-Outs).</u>

8.5.1 Class Members who wish to exclude themselves from (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than the Response Deadline – *i.e.*, 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.

8.5.2 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.

8.5.3 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 Participating Class Members' Releases under Paragraphs 5.2 and 6.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

8.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved

Employees are deemed to release the claims identified in Paragraph 5.4 of this Agreement and are eligible for an Individual PAGA Payment.

8.6 Challenges to Calculation of Workweek. 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 allocated to the Class Members and Aggrieved Employees in the Class Notice. The Class Member and/or Aggrieved Employee 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 or Aggrieved Employee's allocation of Workweeks shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

8.7 Objections to Class Action Component of Settlement.

8.7.1 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.

8.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. Participating Class Members may also choose to appear in Court (or hire an attorney to appear in Court at the Participating Class Member's own expense) 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).

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

8.8 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.

8.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval Order, the Class Notice, the

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

8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 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).

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

8.8.4 Workweek 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. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

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

8.8.6 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.

9. DEFENDANTS' RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the Class, Defendants may, but are not required to, elect 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 up to that time. Defendants must notify Class Counsel and the Court of their election to withdraw no later than 7 business 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 (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 not later than seven (7) days prior to 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 (5) 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 Participating Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

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

10.5 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 and a proposed amended judgment.

12. **CONDITIONS PRECEDENT TO EFFECTIVENESS OF SETTLEMENT.**

12.1 Solely for purposes of facilitating this Settlement of the Actions on a consolidated basis, in a single action for Court approval, the Parties agree that: (i) they will take all necessary action to ensure that the Knoerzer, Rodriguez, and Lopez Actions are dismissed or consolidated with the Matias Action in Santa Cruz County Superior Court for settlement purposes only; (ii) they will file a Stipulation for Order Granting Leave to Amend the Complaint in the Matias Action to include all class and representative PAGA claims currently alleged in the Actions, along with any additional class and representative claims based on the theories of liability and alleged California Labor Code violations currently alleged in the Actions, on behalf of all Class Members and Aggrieved Employees; and (iii) Plaintiffs will dismiss the Knoerzer, Rodriguez, and Lopez Actions within five (5) business days of the Court's order granting Final Approval of the Settlement. The Amended Consolidated Complaint is the operative complaint in the Actions (the "Operative Complaint"). The Parties agree to cooperate to the extent necessary to combine the Actions in this manner with the Court. The Parties agree that Defendants are not required to file a response to the Operative Complaint and maintain all available defenses to the allegations in the Operative

Complaint.

12.2 If the Court denies entry of Final Approval of the Settlement, or Defendants void the Settlement pursuant to ¶ 9, or the Settlement does not become effective for any reason, the following will occur:

12.2.1 The Parties' stipulation to the filing of the Operative Complaint will be deemed revoked as of the date the Court denies entry of Final Approval, or as of the date that Defendants voids the Settlement, or if the Settlement is void for any other reason than as of the date it is void for such reason, the Operative Complaint will be deemed stricken; and

12.2.2 The status of each of the Actions will be deemed to return to their status at the time immediately prior to mediation, as if the Parties had never executed this Settlement and as if the Operative Complaint had never been filed. Upon such occurrence, the period between mediation and the Court's denial of Final Approval of Settlement will be treated as a full stay on all proceedings for purposes of calculating all required filing and trial deadlines.

12.2.3 To the extent required by any court or otherwise necessary, Plaintiffs will take all necessary steps to give effect to ¶ 12.2.

13. ADDITIONAL PROVISIONS.

13.1 <u>No Admission of Liability, Class Certification or Representative Manageability for Other Purposes</u>. 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 Operative Complaints have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendants' defenses in the Action have merit. 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 reasons, 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.

13.2 <u>Confidentiality Prior to Preliminary Approval</u>. Plaintiffs, Class Counsel, Defendants and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this

Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendants and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

13.3 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.

13.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

13.5 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.

13.6 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.

13.7 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.

13.8 No Tax Advice. Neither Plaintiffs, 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.

13.9 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.

13.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

13.11 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.

13.12 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.

13.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

13.14 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 destructions, of Class Data.

13.15 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.

13.16 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.

13.17 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 Plaintiffs:

James R. Hawkins
James@Jameshawkinsaplc.com
Christina M. Lucio
Christina@Jameshawkinsaplc.com
James Hawkins, APLC
9880 Research Drive, Suite 200
Irvine, California 92618
Telephone: (949) 387-7200
Facsimile: (949) 387-6676

Bevin Allen Pike
Bevin.Pike@capstonelawyers.com
Daniel S. Jonathan
Daniel.Jonathan@capstonelawyers.com
Trisha K. Monesi
Trisha.Monesi@capstonelawyers.com
Capstone Law APC
1875 Century Park East, Suite 1000
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Telephone: (310) 556-4811
Facsimile: (310) 943-0396

Paul K. Haines
phaines@haineslawgroup.com
Sean M. Blakely
sblakely@haineslawgroup.com
Haines Law Group, APC
2155 Campus Drive, Suite 180
El Segundo, CA 90245
Telephone: (424) 292-2350
Facsimile: (424) 292-2355

David D. Bibiyan
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Sarah H. Cohen
sarah@tomorrowlaw.com
Bibiyan Law Group, P.C.
8484 Wilshire Boulevard, Suite 500
Beverly Hills, California 90211
Telephone: (310) 438-5555
Facsimile: (310) 300-1705

To Defendants:

Shareef S. Farag
sfarag@bakerlaw.com
Nicholas D. Poper
npoper@bakerlaw.com
Matthew J. Goodman
mgoodman@bakerlaw.com
Matthew P. Eaton
meaton@bakerlaw.com
Baker & Hostetler, LLP
1900 Avenue of the Stars, Suite 2700
Los Angeles, CA 90067
Telephone: 310-820-8800
Facsimile: 310-820-8859

13.18 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.

13.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

______________________________ Date:__________________________
Juana Matias, Plaintiff

______________________________ Date:__________________________
Carmen Fernandez, Plaintiff

Firmado por:
08571347695644F...
______________________________ Date: 7/14/2025
Yolanda Membreno de Ayala, Plaintiff

______________________________ Date:__________________________
Maria Rodriguez de Paz, Plaintiff

To Defendants:

Shareef S. Farag
sfarag@bakerlaw.com
Nicholas D. Poper
npoper@bakerlaw.com
Matthew J. Goodman
mgoodman@bakerlaw.com
Matthew P. Eaton
meaton@bakerlaw.com
Baker & Hostetler, LLP
1900 Avenue of the Stars, Suite 2700
Los Angeles, CA 90067
Telephone: 310-820-8800
Facsimile: 310-820-8859

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____________________________ Date:________________________
Juana Matias, Plaintiff

____________________________ Date:________________________
Carmen Fernandez, Plaintiff

____________________________ Date:________________________
Yolanda Membreno de Ayala, Plaintiff

Signed by:
Maria De Paz Rodriuez
5F419A7DFABC4B7...
Date: 7/9/2025
Maria Rodriguez de Paz, Plaintiff

To Defendants:

Shareef S. Farag
sfarag@bakerlaw.com
Nicholas D. Poper
npoper@bakerlaw.com
Matthew J. Goodman
mgoodman@bakerlaw.com
Matthew P. Eaton
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______________________________ Date:__________________________
Juana Matias, Plaintiff

Signed by:
Carmen Chavez Fernandez ____ Date: 7/9/2025
D55A21EADEBF458...
Carmen Fernandez, Plaintiff

______________________________ Date:__________________________
Yolanda Membreno de Ayala, Plaintiff

______________________________ Date:__________________________
Maria Rodriguez de Paz, Plaintiff

To Defendants:

Shareef S. Farag
sfarag@bakerlaw.com
Nicholas D. Poper
npoper@bakerlaw.com
Matthew J. Goodman
mgoodman@bakerlaw.com
Matthew P. Eaton
meaton@bakerlaw.com
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Signed by:
Juana Matias
BEFC29B48BB74C9... ntiff

Date: 7/9/2025

____
Carmen Fernandez, Plaintiff

Date: ______________________________

____
Yolanda Membreno de Ayala, Plaintiff

Date: ______________________________

____
Maria Rodriguez de Paz, Plaintiff

Date: ______________________________

Date:

Heriberto Chavez Rodriguez, Plaintiff

Hannah Knoerzer
Hannah Knoerzer (Jul 9, 2025 12:37 PDT)

Date: 07/09/25

Hannah Knoerzer, Plaintiff

Date:

Graciela Lopez, Plaintiff

Van Andres

Date: 8/5/25

Name:
On behalf of Hospitality Staffing Solutions, LLC

Van Andres

Date: 8/5/25

Name:
On behalf of Kellermeyer Bergensons Services, LLC

____________________________ Date:________________________
Heriberto Chavez Rodriguez, Plaintiff

____________________________ Date:________________________
Hannah Knoerzer, Plaintiff

Graciela Lopez
Graciela Lopez (Jul 9, 2025 09:04 PDT) Date: July 9, 2025
Graciela Lopez, Plaintiff

Van Andres Date: 8/5/25
Name:
On behalf of Hospitality Staffing Solutions, LLC

Van Andres Date: 8/5/25
Name:
On behalf of Kellermeyer Bergensons Services, LLC

Heriberto Chávez Rodriguez (Jul 16, 2025 18:07 PDT)

Heriberto Chavez Rodriguez, Plaintiff

Date: 7/16/2025

Hannah Knoerzer
Hannah Knoerzer (Jul 9, 2025 12:37 PDT)

Hannah Knoerzer, Plaintiff

Date: 07/09/25

Graciela Lopez, Plaintiff

Date:

Van Andres

Name:
On behalf of Hospitality Staffing Solutions, LLC

Date: 8/5/25

Van Andres

Name:
On behalf of Kellermeyer Bergensons Services, LLC

Date: 8/5/25

EXHIBIT A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND DATE FOR FINAL APPROVAL HEARING

Matias, et al. v. Hospitality Staffing Solutions, LLC, et al.
(County of Santa Cruz, California Superior Court Case No. 23CV00490)

As a current or former non-exempt, hourly-paid California employee of defendants Hospitality Staffing Solutions, LLC or Kellermeyer Bergensons Services, LLC., you are entitled to receive money from a class action settlement.

Please read this Notice carefully. This Notice relates to a proposed settlement of class action litigation. If you are a Class Member, it contains important information about your right to receive a payment from the Settlement fund.

You have received this Notice of Class Action Settlement because the records of defendants Hospitality Staffing Solutions, LLC ("HSS") and Kellermeyer Bergensons Services, LLC ("KBS" and with HSS, "Defendants"), show that you are a "Class Member" and, therefore, entitled to a payment from this class action settlement. Class Members are all current and former non-exempt, hourly-paid employees who worked for Defendants in California at any time during the period from January 20, 2022 through December 26, 2024 for employees of KBS and from November 9, 2021 ("KBS Class Period") through December 26, 2024 for employees of HSS ("HSS Class Period" and with KBS Class Period hereinafter, the "Class Period").

- The settlement is to resolve a class action lawsuit, *Matias, et al. v. Hospitality Staffing Solutions, LLC, et al.*, pending in the Superior Court of California for the County of Santa Cruz, Case Number 23CV00490 (the "Lawsuit"), alleging: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods or compensation in lieu thereof; (4) failure to provide rest periods or compensation in lieu thereof; (5) failure to pay all wages due upon separation from employment; (6) failure to provide accurate wage statements; and (10) engaging in unfair competition within the meaning of Business and Professions Code section 17200. Plaintiffs also seek civil penalties under the California Labor Code Private Attorneys General Act of 2004 ("PAGA") for alleged violations of the Labor Code, among other claims.

- On ___________, the Santa Cruz County Superior Court granted preliminary approval of this class action settlement and ordered that all Class Members be notified of the Settlement. The Court has not made any determination of the validity of the claims in the Lawsuit. Defendants vigorously deny the claims in the Lawsuit and contend that it fully complied with all applicable laws.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND RECEIVE PAYMENT	Get a payment and give up your legal rights to pursue claims released by the settlement of the Lawsuit.
OPT OUT OF THE SETTLEMENT	Exclude yourself from the Settlement, get no payment for settlement of the class claims, and retain your legal rights to individually pursue the class claims that would otherwise be released by the settlement of the Lawsuit. If you worked at any time during the period from January 20, 2022 through December 26, 2024 for KBS or from November 9, 2021 through December 26, 2024 for HSS ("PAGA Period") as a non- exempt, hourly-paid

	employee, as well, then you will be deemed as "Aggrieved Employee" and you will still receive your share of the proceeds available from the settlement of the Released PAGA Claims, defined below, (your "Individual PAGA Payment") even if you opt out of the class settlement.
OBJECT TO THE SETTLEMENT	If you do not opt out, you may write to the Settlement Administrator, ________________, about why you object to the settlement, and they will forward your concerns to counsel which will then be provided to the Court. If the Court approves the Settlement despite your objection, you will still be bound by the Settlement. You or your attorney may also address the Court during the Final Approval Hearing scheduled for _____________ in Department 10 of the Santa Cruz Superior Court located at 701 Ocean Street Santa Cruz, CA 95060.

The Final Approval Hearing on the adequacy, reasonableness and fairness of the Settlement will be held on _____________, in the Santa Cruz Superior Court located at 701 Ocean Street Santa Cruz, CA 95060, in Department 10. You are not required to attend the Hearing, but you are welcome to do so.

<u>Why Am I Receiving This Notice?</u>

Defendants' records show that you currently work, or previously worked, for Defendants, as an hourly-paid, non-exempt employee in the State of California at some point during the Class Period. You were sent this Class Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all your options before the Court decides whether to finally approve the settlement. If the Court approves the settlement and then any objections and appeals are resolved, a "Settlement Administrator" appointed by the Court will make the payments described in this Notice. This Notice explains the Lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them and how to get them.

<u>What is This Case About?</u>

Juana Matias, Carmen Fernandez, Yolanda Membreno de Ayala, Maria Rodriguez de Paz, Heriberto Chavez Rodriguez, Hannah Knoerzer, and Graciela Lopez were hourly-paid, non-exempt employees of Defendants. They are the "Plaintiffs" in this case are suing on behalf of themselves and Class Members for, among other claims, Defendants; failure to pay overtime wages, failure to pay minimum wages, failure to provide meal periods or compensation in lieu thereof, failure to provide rest periods or compensation in lieu thereof, failure to pay all wages due upon separation from employment, failure to provide accurate wage statements, and engaging in unfair competition within the meaning of Business and Professions Code section 17200.

Based on the alleged Labor Code violations above-mentioned and other alleged Labor Code violations, Plaintiffs also seek penalties under California Labor Code Private Attorneys General Act ("PAGA"). Defendant denies all the allegations made by Plaintiff and denies that it violated any law.

The Court has made no ruling on the merits of Plaintiffs' claims. The Court has only preliminarily approved this class action settlement. The Court will decide whether to give final approval to this settlement at the Final Approval Hearing.

Summary of the Settlement Terms

Plaintiff and Defendant have agreed to settle this case on behalf of themselves and Class Members and Aggrieved Employees for the Gross Settlement Amount of $9,750,000.00, unless increased pursuant to the Settlement Agreement. The Gross Settlement includes (1) Administration Costs up to $75,000.00; (2) a service award of not more than $10,000.00 to each of the Plaintiffs, for a total amount of $70,000.00 to Plaintiffs, for their time and effort in pursuing this case; (3) up to one-third (1/3) of the Gross Settlement Amount in attorneys' fees which, unless increased pursuant to the Settlement Agreement, amounts to $3,250,000.00; (4) up to $70,000.00 in litigation costs to Class Counsel, according to proof; and (5) payment allocated to PAGA penalties in the amount of $200,000.00 of the Gross Settlement Amount toward PAGA penalties. Pursuant to the PAGA, seventy-five percent (75%) of the amount allocated toward PAGA, or $150,000.00, will be paid to the LWDA and twenty-five percent (25%), or $50,000.00, will be distributed to Aggrieved Employees. After deducting these sums, a total of approximately not less than $6,155,000.00 will be available for distribution to Class Members ("Net Settlement Amount")

The settlement is based on Defendants' representation that Class Members worked approximately 682,092 Workweeks between November 9, 2021 and September 27, 2024. In the event that the actual number of Workweeks worked between November 9, 2021 and December 26, 2024 (the end of the Class Period) increases by more than ten percent (10%) above 682,092, Defendants will at their option either (a) agree to increase the Gross Settlement Amount on a proportional basis for the percentage increase over ten percent (10%) (for example, if the number is 11% higher, the Gross Settlement Amount will be increased by 1%), or (b) agree to shorten and close the Class Period and PAGA Period on the date that is closest to without exceeding 750,301 Workweeks so as to eliminate the need to increase the Gross Settlement Amount.

Distribution to Class Members

Class Members who do not opt out will receive a *pro rata* payment of the Net Settlement Amount based on the number of weeks worked by Participating Class Members in hourly-paid, non-exempt positions for Defendant in California during the Class Period ("Eligible Workweeks"). Specifically, Class Members' payments will be calculated by dividing the Net Settlement Amount by the total number of Eligible Workweeks worked by all Participating Class Members during the Class Period, multiplied by the number of Eligible Workweeks attributed to the Class Member. Otherwise stated, the formula for a Class Member is: (Net Settlement Amount / total Settlement Class Eligible Workweeks) × Individual's Eligible Workweeks. In addition, Class Members who worked during the PAGA Period (*i.e.*, Aggrieved Employees) will receive a *pro rata* share of the $50,000.00 allocated to Aggrieved Employees as PAGA penalties, whether or not they opt out, based on the number of workweeks worked by each Aggrieved Employee during the PAGA Period.

Defendants' records indicate that you worked [Eligible Workweeks] Workweeks as a non-exempt, hourly-paid employee in California during the Class Period and [Eligible Pay Periods] Pay Periods during the PAGA Period. Based on these records, your estimated payment as a Class Member would be [$Estimated Award] and your estimated payment as an Aggrieved Employee would be [$Estimated Award]. If you believe this information is incorrect and wish to dispute it, you must mail a dispute to the Settlement Administrator no later than [Response Deadline]. Please include any documentation you have that you contend supports your dispute. You should send copies rather than originals because the documents will not be returned to you.

Tax Reporting

100% of the payments for PAGA penalties to Aggrieved Employees will be allocated as penalties reported on IRS Form 1099. 15% of each Settlement Payment to Class Members who do not opt out will be allocated as wages and reported on an IRS Form W-2, and 85% will be allocated as penalties and interest reported on IRS Form 1099. This notice is not intended to provide legal or tax advice on your Settlement Share.

Your check will be valid for 180 days after issuance. After 180 days, uncashed checks will be cancelled and the funds associated will be transmitted to the California State Controller's Unclaimed Property Fund in your name.

Your Options Under the Settlement

Option 1 – *Do Nothing and Receive Your Payment*

If you do not opt out, you are automatically entitled to your Individual Settlement Payment (*i.e.*, your share of the Net Settlement Amount) because you are a Class Member.. If you do not timely and properly dispute your settlement share calculation, the settlement share determined by the Settlement Administrator shall be deemed final and, thus, not subject to any subsequent dispute by you, and you shall be paid that settlement amount. If you do not timely and properly opt out of the settlement, you will be bound by the entire release in the settlement and receive your Individual Settlement Payment, as well as your Individual PAGA Payment if you are also an Aggrieved Employee. **In other words, if you are a Class Member, you do not need to take any action to receive the settlement payment(s) set forth above**.

Class Members who do not submit a valid and timely opt out (pursuant to Option 2 below), will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all "Released Claims" he or she may have or had upon final approval of this Settlement and payment by Defendants to the Settlement Administrator.

Effective on the date when Defendants fully fund the entire Gross Settlement Amount and all employer-side payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Participating Class Members, Aggrieved Employees, and Class Counsel will release claims against all Released Parties as follows:

<u>Released Class Claims</u>: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release and discharge Released Parties from any and all claims and/or theories of liability that have been or could have been alleged or asserted in any of the pleadings that have been filed in the Actions, based on the facts alleged in any of the pleadings that have been filed in the Actions and in any related notices sent to the LWDA, including, but not limited to, claims for unpaid overtime, unpaid minimum wages, failure to provide meal and rest periods, failure to timely pay wages at termination, failure to timely pay wages during employment, failure to provide compliant wage statements, failure to maintain payroll records, failure to provide reporting time pay, unreimbursed business expenses, unfair and unlawful business practices. The release shall include claims arising under California Labor Code §§ 96, 200, 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 222, 222.5, 223, 224, 226, 226.3, 226.7, 232, 232.5, 245, 245.5, 246, 246.5, 247, 247.5, 248, 248.1, 248.2, 248.3, 248.5, 248.6, 248.7, 249, 432, 432.5, 432.6, 510, 512, 516, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1195, 1197, 1197.1, 1197.5, 1198, 1198.5, 2802, 2804, 2810.3, 2810.5, 6401, 6402, 6403, the California Wage Orders, California Code of Regulations, Title 8, § 11000 et seq., and California Business & Professions Code §§ 17200 *et seq*.

Release PAGA Claims: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from any and all claims and/or theories of liability for PAGA civil penalties that have been or could have been alleged or asserted in any of the pleadings that have been filed in the Actions and in any related notices sent to the LWDA, based on the facts alleged in any of the pleadings that have been filed in the Actions and in any related notices sent to the LWDA, including, but not limited to, PAGA civil penalties for unpaid overtime, unpaid minimum wages, failure to provide meal and rest periods, failure to timely pay wages at termination, failure to timely pay wages during employment, failure to provide compliant wage statements, failure to maintain payroll records, failure to provide reporting time pay, unreimbursed business expenses, unfair and unlawful business practices, and all claims for civil penalties or other remedies recoverable under Labor Code § 2698 et seq. (PAGA). The release shall include claims arising under California Labor Code §§ 96, 200, 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 222, 222.5, 223, 224, 226, 226.3, 226.7, 232, 232.5, 245, 245.5, 246, 246.5, 247, 247.5, 248, 248.1, 248.2, 248.3, 248.5, 248.6, 248.7, 249, 432, 432.5, 432.6, 510, 512, 516, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1195, 1197, 1197.1, 1197.5, 1198, 1198.5, 2802, 2804, 2810.3, 2810.5, 6401, 6402, 6403, the California Wage Orders, and California Code of Regulations, Title 8, § 11000 et seq.

"Released Parties" means HSS, KBS, Walgreens Specialty Pharmacy, LLC, and Montage Laguna Beach, LLC, and each of their past and present corporate affiliates, subsidiaries, divisions, related entities, divested business and business units, and the board members, directors, officers, shareholders, owners, employees, agents, representative, attorneys, insurers, predecessors, successors, assigns, and/or any other persons acting on their behalf.

Option 2 – *Opt Out of the Settlement*

If you do not wish to receive your Individual Settlement Payment or release the Released Class Claims, you may exclude yourself by submitting a written request to be excluded from the Class. Your written request must include your name, address, email address or telephone number, last four (4) digits of your Social Security Number, your signature, and any statement standing for the proposition that you do not wish to participate in the settlement. Sign, date, and mail your written request for exclusion to the address below.

CPT Group
[Mailing Address]

To be valid, your written request for exclusion must be mailed and postmarked to the Administrator not later than [RESPONSE DEADLINE].

The proposed settlement includes the settlement of the Released PAGA Claims. An employee may not request exclusion from the settlement of a PAGA claim. Thus, if the court approves the settlement, then even if you request exclusion from the settlement, if you are an Aggrieved Employee, you will still receive your Individual PAGA Payment and will be deemed to have released the Released PAGA Claims. A request for exclusion will preserve your right, if any, to individually pursue only the Released Class Claims.

Option 3 – *Submit an Objection to the Settlement*

If you wish to object to the Settlement, you may submit an objection in writing by mail, stating why you object to the Settlement. Your written objection must provide your name, address, signature, telephone number, last four (4) digits of your Social Security Number, and a statement of whether you plan to appear at the Final Approval Hearing, and a statement of the reason(s), along with whatever legal authority, if any, why you believe that the

Court should not approve the Settlement. Your written objection must be mailed to the Administrator no later than [RESPONSE DEADLINE]. Please note that you cannot both object to the Settlement and opt out of the Settlement. If you exclude yourself, then your objection will be overruled. If the Court overrules your objection, you will be bound by the Settlement and will receive your Settlement Share.

Even if you don't submit a written objection, you may appear at the Final Approval Hearing and provide a verbal objection before the Court.

Final Approval Hearing

You may, if you wish, appear at the Final Approval Hearing set for __________ at _____ _.m. in Department 10 of the Santa Cruz Superior Court located at 701 Ocean Street Santa Cruz, CA 95060, and orally object to the Settlement, discuss your written objections with the Court and the Parties, or otherwise comment on the Settlement at your own expense. You may attend this hearing virtually by audio or video at https://lacourt.org/. You may also retain an attorney to represent you at the Hearing at your own expense.

Additional Information

This Notice of Class Action Settlement is only a summary of this case and the Settlement. For a more detailed statement of the matters involved in this case and the Settlement, you may call the Settlement Administrator at [PHONE NUMBER] or Class Counsel, whose information appears below:

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You may also visit the Settlement Administrator's website at [WEBSITE] to gain access to key documents in this case, including the Settlement Agreement, the Order Granting Preliminary Approval of this Settlement, the Order Granting Final Approval of this Settlement, and the Final Judgment.

You may also refer to the pleadings, the Settlement Agreement, and other papers filed in this case, which may be inspected at the Santa Cruz Superior Court located at 701 Ocean Street Santa Cruz, CA 95060, in Department 10, during regular business hours of each court day. You may also obtain these documents through the Court's website at https://www.santacruz.courts.ca.gov/online-services/case-lookup.

All inquiries by Class Members regarding this Notice of Class Action Settlement and/or the Settlement should be directed to the Settlement Administrator.

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANTS, OR DEFENDANTS' ATTORNEYS WITH INQUIRIES.

EXHIBIT 2

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Attorneys for Plaintiffs, on behalf of themselves and all others similarly situated and aggrieved

Additional Counsel on Next Page

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SANTA CRUZ

JUANA MATIAS, CARMEN CHAVEZ FERNANDEZ, and YOLANDA MEMBRENO DE AYALA, individually, and on behalf of other members of the general public similarly situated, and as aggrieved employees pursuant to the Private Attorneys General Act ("PAGA"), and MARIA RODRIGUEZ DE PAZ, as an aggrieved employee pursuant to PAGA, Plaintiffs, v. HOSPITALITY STAFFING SOLUTIONS, LLC, a Delaware limited liability company; KELLERMEYER BERGENSONS SERVICES, LLC, a Delaware limited liability company; and DOES 1 through 10, inclusive, Defendants.	CASE NO.: 23CV00490 [Assigned for all purposes to Hon. Timothy Schmalin Dept. 10] **AMENDMENT TO CLASS AND PAGA SETTLEMENT AGREEMENT**

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Attorneys for Plaintiffs, on behalf of themselves and all others similarly situated and aggrieved

Plaintiffs Juana Matias, Carmen Chavez Fernandez, Yolanda Membreno de Ayala, Hannah H. Knoerzer, Heriberto Chavez Rodriguez, Maria Rodriguez De Paz, and Graciela Lopez, individually and on behalf of all other members of the public similarly situated (collectively, "Plaintiff") and defendants Hospitality Staffing Solutions, LLC and Kellermeyer Bergensons Services, LLC (collectively, "Defendants" and with Plaintiff, the "Parties), after careful evaluation and negotiation, in order to facilitate the Parties' settlement, hereby agree to the following amendment to the Class and PAGA Settlement Agreement:

1. Paragraph 4.2. of the Class and PAGA Settlement Agreement shall be modified to now state:

> 4.2 Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount, including all amounts necessary to fully pay Defendants' share of payroll taxes, by transmitting the funds in two (2) equal payments of $4,875,000 (plus Defendants' share of the payroll taxes). The first payment shall be due 30 days after the Effective Date, the final payment shall be due no later than ninety days (90) days after the Effective Date.

5. Except as expressly set forth above, the Settlement Agreement shall remain unchanged.

IT IS SO AGREED:

/s/ Bevin Allen Pike
______________________________ Date: March 18, 2026
Bevin Allen Pike
Attorneys for Plaintiffs Juana Matias, Carmen Fernandez,
Yolanda Membreno de Ayala, and Maria Rodriguez de Paz

/s/ Vedang J. Patel
______________________________ Date: March 18, 2026
Vedang J. Patel
Attorneys for Plaintiff Heriberto Chavez Rodriguez

/s/ James R. Hawkins

______________________________ Date: March 18, 2026

James R. Hawkins

Attorneys for Plaintiff Hannah Knoerzer

/s/ Paul K. Haines

______________________________ Date: March 18, 2026

Paul K. Haines

Attorneys for Plaintiff Graciela Lopez, Plaintiff

/s/ Shareef S. Farag

______________________________ Date: March 18, 2026

Shareff S. Farag

Attorneys for Plaintiff Hospitality Staffing Solutions, LLC
and Kellermeyer Bergensons Services, LLC

EXHIBIT 3

BIBIYAN LAW GROUP, P.C.

8484 Wilshire Blvd., Suite 500
Beverly Hills, California, 90211
310.438.5555 T
310.300.1705 F
www.employmentlawyerla.com

January 10, 2023

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Montage Laguna Beach, LLC
3 ADA Parkway, Suite 100
Irvine, CA 92618

Hospitality Staffing Solutions, LLC
100 Glenridge Point Pkwy, Ste 400
Atlanta, GA 30342

Re: California Labor Code § 2810.3(d) Notice Letter

To Whom It May Concern:

This letter shall constitute notice under California Labor Code ("Labor Code") section 2810.3, subdivision (d) regarding Heriberto Chavez Rodriguez ("Employee") below allegations against Montage Laguna Beach, LLC and Hospitality Staffing Solutions, LLC ("Employers"), where Employee is informed and believes that she worked or otherwise the client employers, and the staffing companies through which Employee is informed and believes that it worked (or otherwise the labor contractors): Hospitality Staffing Solutions, LLC

Employee was an employee of Employer from approximately March of 2021 through approximately February of 2022. Employee performed for Employer, among other duties, cleaning. At all times throughout his employment, they were paid (or purportedly paid) an hourly wage for her services.

Employee and other aggrieved employees are covered by Labor Code section 510 and applicable Wage Orders. Employee is informed and believes, and based thereon alleges, that Employer had and has a policy or practice of requiring its employees to work more than eight (8) hours per day, forty (40) hours per week, and/or seven (7) straight workdays in a workweek without paying them proper overtime wages, as a result of, without limitation, failing to accurately track and/or pay for all minutes actually worked; engaging, suffering, or permitting employees to work off the clock, including, without limitation, by requiring employees: to come early to work and leave late work without being able to clock in for all that time, to suffer under Employer's control due to long lines for clocking in, to complete pre-shift tasks before clocking in and post-shift tasks after clocking out, to clock out for meal periods and continue working, to clock out for rest periods, to attend company meetings off the clock, to make phone calls or drive off the clock, and/or go through security screenings and/or temperature checks off the clock; failing to include all forms of remuneration, including non-discretionary bonuses, incentive pay, meal allowances, mask allowances, gift cards and other forms of remuneration into the regular rate of pay for the pay periods where overtime was worked and the additional compensation was earned for the purpose of calculating the overtime rate of pay; detrimental rounding of employee time entries, editing and/or manipulation of time entries to show less hours than actually worked, and for paying straight pay instead of overtime pay to the detriment of Employee and other aggrieved employees. Consequently, Employee is informed and believes, and based thereon alleges, that Employer violated Labor Code sections 510, 1194, and applicable Wage Orders based on its practice of providing total compensation that is less than the required legal overtime compensation for the overtime worked, entitling Employees and other aggrieved employees to damages. Employers would also be liable for civil penalties pursuant to Labor Code sections 558, 2699, and 2810.3.

Employee is informed and believes, and based thereon alleges, that Employer had and has a practice or policy of failing to compensate Employee and other aggrieved employees with minimum wages for all hours worked or otherwise under Employer's control as a result of, without limitation, failing to accurately track and/or pay for all minutes actually worked; engaging, suffering, or permitting employees to work off the clock, including, without limitation, by requiring employees: to come early to work and leave late work without being able to clock in for all that time, to suffer under Employer's control due to long lines for clocking in, to complete pre-shift tasks before clocking in and post-shift tasks after clocking out, to clock out for meal periods and continue working, to clock out for rest periods, to attend company meetings off the clock, to make phone calls or drive off the clock; detrimental rounding of employee time entries; editing and/or manipulation of time entries to show less hours than actually worked; and failing to pay split shift premiums. In addition, Employee and other employees were required to report to work, and did report, but were not put to work and/or were furnished less than half their usual or scheduled day's work without being paid for half the usual or scheduled work at their regular rate of pay. As such, Employee is informed and believes, and based thereon alleges, that Employer violated, without limitation, Labor Code section 1197 and applicable Wage Orders based on its continued failure to pay minimum wages for all hours worked, entitling Employee and other aggrieved employees to actual and liquidated damages under, without limitation, Labor Code sections 1194 and 1194.2. Employer would also be liable for civil penalties pursuant to Labor Code sections 558, 1197.1, 2699, and 2810.3.

Employee is informed and believes, and based thereon alleges, that Employer had and has a policy or practice of compelling its employees to work in excess of five (5) and ten (10) hours per day without being afforded uninterrupted, timely, and complete 30-minute meal periods or compensation in lieu thereof including, without limitation: by interrupting meal periods; not providing timely meal periods; failing to provide first and second meal periods; providing short meal periods; requiring that employees carry cellular telephones or walkie-talkies during meal periods; not permitting employees to leave the premises; otherwise requiring on-duty/on-call meal periods; and auto-deducting meal periods that could not be auto-deducted by law or during which employees worked. Consequently, Employee is informed and believes, and based thereon alleges, that Employer violated Labor Code section 512, entitling Employee and other aggrieved employees to premium payments under Labor Code section 226.7. However, Employee is informed and believes that those premium payments under Labor Code section 226.7 were not made, either, for these non-compliant meal periods. Employer would thus be liable for civil penalties pursuant to Labor Code sections 558, 2699, and 2810.3 for both failing to authorize the taking of compliant meal periods, as well as for failing to provide premium pay under Labor Code section 226.7.

Employee is informed and believes, and based thereon alleges, that Employer maintains policies or practices of compelling its non-exempt employees, including, without limitation, Employee, to work over four-hour periods (or major fractions thereof) without authorizing and permitting Employee and other aggrieved employees to take uninterrupted, timely, and complete ten-minute rest periods in which the employees are completely relieved of all of their duties, including, without limitation: by failing to provide rest periods all together; requiring that they be bundled together and/or with meal periods; interrupting them; requiring that employees carry cellular telephones or walkie-talkies during rest periods not providing them in a timely fashion; and not permitting employees to leave the premises; and otherwise requiring on-duty/on-call rest periods. As such, Employee is informed and believes, and based thereon alleges, that Employee and other aggrieved employees are entitled to relief under, without limitation, Labor Code section 226.7. However, Employee is informed and believes that those premium payments under Labor Code section 226.7 were not made, either, for these non-compliant rest periods. Employer would thus be liable for civil penalties pursuant to Labor Code sections 558 and 2699 for both failing to authorize the taking of compliant rest periods, as well as for failing to provide premium pay under Labor Code section 226.7. Employers would also be liable for civil penalties pursuant to Labor Code sections 558, 2699, and 2810.3.

Employee is informed and believes, and based thereon alleges, that Employer maintains policies or practices of failing to permit Employee and other aggrieved employees from taking cooldown rest periods in the shade as required under California Code of Regulations, Title 8, Section 3395 and premium pay in lieu thereof under Labor Code section 226.7. As a result, Employer would be liable for civil penalties under Labor Code sections 558, 2699, and 2810.3.

In addition to the above, Employee is informed and believes, and based thereon alleges that Employer failed and continue to fail to keep adequate or accurate time records including wage statements and similar payroll documents under Labor Code section 226, documents signed to obtain or hold employment under Labor Code section 432, personnel records under Labor Code section 1198.5, and time records under Labor Code section 1174, making it difficult for Employee and other aggrieved employees to calculate their unpaid wages and/or premium payments. Employer also failed to provide these documents to Employee and other aggrieved employees upon request. This would entitle Employee and other aggrieved employees to penalties prescribed by Labor Code sections 226 and 1198.5. Employer would also be liable for civil penalties pursuant to Labor Code sections 558, 2699, and 2810.3.

As a result of, among other things, Employer's herein-described policy or practice of failing to: accurately record time; failing to pay overtime and minimum wages; provide meal periods; provide rest periods; and provide compensation in lieu of meal or rest periods; as described above, Employee is informed and believes, and based thereon alleges, that Employer also intentionally failed and continues to fail to furnish aggrieved employees, including, without limitation, Employee, with itemized wage statements that accurately reflect: gross wages earned; total hours worked by the employee; net wages earned; all deductions; all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee; the legal name and address of the other; and other such information as required by Labor Code section 226, subdivision (a). Specifically, Employer intentionally failed to furnish employees with itemized wage statements that accurately reflect the hours worked by Employees and other aggrieved employees and the rates of pay at which they were or should have been paid, thus resulting in a failure to reflect gross and net wages earned and paid at each rate, as well. Consequently, since Employer would have failed to comply with Labor Code section 226, subdivision (a), Employee and other aggrieved employees would be entitled to recover penalties under, without limitation, Labor Code section 226, subdivision (e). Employer would also be liable for civil penalties pursuant to Labor Code sections 226.3, 558, 2699, and 2810.3.

Employee is informed and believes, and based thereon alleges, that Employer also failed and refused, and continue to fail and refuse, to timely pay compensation to Employee and other terminated or resigned employees, including but not limited to, all overtime wages owed; all minimum wages owed; and all premium pay owed as set out above. Consequently, Employer would be liable for waiting time penalties for having violated California Labor Code sections 201, 202, and 203. Employer would also be liable for civil penalties pursuant to Labor Code sections 558, 2699, and 2810.3.

Employee is further informed and believes, and based thereon alleges that Employer failed and refused, and continues to fail and refuse, to comply with the notice requirements of Labor Code section 2810.5 (*i.e.*, the Wage Theft Protection Act of 2011) by, among other things, failing to provide Employee and other aggrieved employees with the rates of pay and overtime rates of pay applicable to their employment, allowances claimed as part of the minimum wage, the regular payday designated by Employer, the name of the employer, including any "doing business as" names used, the name, address and telephone number of the workers' compensation insurance carrier, information regarding paid sick leave, and other pertinent information required to be disclosed by Employer under Labor Code section 2810.5. Employee is informed and believes that failure to provide such information, including rates of pay that are in effect, has permitted Employer to pay employees at rates of pay that were not agreed upon and violate minimum wage and overtime wage laws in California. Among other relief, employees may collect from Employer in connection with these violations' civil penalties pursuant to Labor Code sections 558, 2699, and 2810.3.

Employee is informed and believes, and based thereon alleges that Employer also failed and refused, and continues to fail and refuse, to reimburse employees, including, without limitation, Employee and other aggrieved employees, with their costs incurred for driving personal vehicles (*i.e.*, mileage and gas), purchasing uniforms, providing uniform and other deposits, paying for uniform cleaning, for the purchase of tools including, without limitation maintenance of cellular phones and cellular phone plans, in direct consequence of the discharge of their duties, or of their obedience to the directions of Employer, as required by Labor Code section 2802, and other statutory and common law offenses. As a result, Employer are liable to reimburse Employee and other aggrieved employees for these costs incurred in furtherance of work duties. In addition, Employer would be liable for civil penalties pursuant to Labor Code sections 558, 2699, and 2810.3.

Employee is further informed and believes, and based thereon alleges, that Employer has or had a policy or practice of failing to reimburse deposits made, including uniform deposits together with all interest owed at the separation of employment in violation of Labor Code section 404, entitling Employee and other aggrieved employees to damages in the amount of the deposit and accrued interest. Employer would also be liable for civil penalties under Labor Code sections 558, 2699, and 2810.3.

Employee is further informed and believes, and based thereon alleges, that Employer has or had a policy or practice of failing to provide Employee and other aggrieved employees with the amount of paid sick leave required to be provided pursuant to California and local laws (including, without limitation. Employee is further informed and believes that Employer also did not permit its use upon request by Employee and other aggrieved employees as contemplated under California and local laws. As such, Employer would be liable for civil penalties for violation of the paid sick leave regulations under Labor Code sections 558, 2699, and 2810.3.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to pay aggrieved employees their paid time off and vacation time owed upon separation of employment as wages at their final rate of pay in violation of Labor Code section 227.3 and applicable Wage Orders. As such, Employer would be liable for civil penalties for violation of Labor Code section 227.3 under Labor Code section 558, 2699, and 2810.3.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to pay aggrieved employees their wages in accordance with Labor Code Section 204, which requires that: "[l]abor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive of any calendar month, shall be paid for between the 1st and 10th day of the following month." Employee is informed and believes and based thereon alleges that Employer did not and do not pay Employee and other aggrieved employees in accordance with Labor Code Section 204. As such, Employee is informed and believes, and based thereon alleges that Employer violated Labor Code section 204. Employer would be liable for civil penalties pursuant to Labor Code sections 210, 558, 2699, and 2810.3.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy of failing to provide all temporary workers with owed wages weekly by not later than the regular payday of the following week. As a result, pursuant to Labor Code section 201.3, Employer would be liable for civil penalties pursuant to Labor Code sections 201.3 and 2810.3.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to provide all working employees with suitable seats when the nature of the work reasonably permits the use of seats. Employee is further informed and believes, and based thereon alleges that Employer has failed to place an adequate number of seats in reasonable proximity to the work area and/or permitted employees to use such seats when it does not interfere with the performance of their duties when employees are not engaged in the active duties of their employment and the nature of their work requires standing.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of preventing Employee and/or other aggrieved employees from using or disclosing the skills, knowledge and experience they obtained at Employer for purposes of competing with Employer, including, without limitation, preventing Employees from disclosing their wages in negotiating a new job with a prospective employer, and from disclosing who else works at Employer and under what circumstances that they might be receptive to an offer from a rival employer. As such, Employee is informed and believes that this violates Business and Professions Code sections 17200, 16600 and 16700, and, by virtue thereof, various provisions of the Labor Code, including Labor Code sections 232, 232.5, and 1197.5, subdivision (k). Employer would be liable for civil penalties pursuant to Labor Code sections 2699 and 2810.3.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of preventing Employee and/or other aggrieved employees from disclosing violations of state and federal law, either within Employer to their managers or outside Employer to private attorneys or government officials, among others, in violation of Business and Professions Code section 17200, and, thus, in violation of Labor Code section 1102.5. In addition, Employee is informed and believes that these policies and/or practices prevent Employee and/or other aggrieved employees from disclosing information about unsafe or discriminatory working conditions, or about wage and hour violations in violation of Labor Code section 232 and 232.5. These violations of the Labor Code would expose Employer to liability for civil penalties pursuant to Labor Code sections 2699 and 2810.3.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of preventing Employee and/or other aggrieved employees from engaging in lawful conduct during non-work hours, thus violating state statutes entitling employees to disclose wages, working conditions, and illegal conduct, including, without limitation, Labor Code sections 96, subdivision (k), 98.6, 232, 232.5, and 1197.5, subdivision (k). Employee is informed and believes that this lawful conduct includes the exercise of Employee and/or other aggrieved employee's constitutional rights of freedom of speech and economic liberty and would thus expose Employer to liability for civil penalties pursuant to Labor Code section 2699 and 2810.3.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to furnish and use safety devices and safeguards. And adopt and use practices, means, methods, operations and processes which are reasonably adequate to render such employment and place of employment safe and healthful, pursuant to, including but not limited to, Labor Code section 6401. Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of requiring or permitting employees to go or be in any employment or place of employment which is not safe and healthful, pursuant to Labor Code section 6402. Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing or neglecting to: provide and use safety devices and safeguards reasonably adequate to render the employment and place of employment safe; adopt and use methods and processes reasonably adequate to render the employment and place of employment safe; and do every other thing reasonably necessary to protect the life, safety, and health of employees, pursuant to Labor Code section 6403. Employee is informed and believes, and based thereon alleges that these failures include, without limitation, failing to disinfect time clocks and other surfaces after use by Employee and/or other aggrieved employees; failing to provide adequate protection equipment to Employee and/or other aggrieved employees; and failing to provide adequate distance in working conditions between Employee and/or other aggrieved employees.

Employee is further informed and believes, and based thereon alleges that Employer had and has a policy or practice of requiring, as a condition of employment, its applicants or employees to waive any right, forum, or procedure for a violation of any provision of the California Fair Employment and Housing Act or the Labor Code, including the right to file and pursue a civil action or a complaint with, or otherwise notify, any state agency, other public prosecutor, law enforcement agency, or any court or other governmental entity of any alleged violation, in violation of Labor Code section 432.6. Employee is additionaly informed and believes that Employer knew that requiring such a condition was prohibited by law. Accordingly, for violations of Labor Code sections 432.5 and 432.6, Employee and aggrieved employees are entitled to attorneys’ fees, an injunction, as well as civil penalties pursuant to Labor Code section 2699 and 2810.3.

Pursuant to Labor Code section 2810.3, subdivision (d), this letter is to provide notice that Employees intends to file a civil suit accordingly against Employer to be liable jointly and severally for all of the above-referenced violations and relief arising therefrom (including, without limitation, for damages that include unpaid wages, unpaid reimbursements, penalties, fees, costs, interest, equitable relief, and any other relief deemed to be just and proper) under among other authorities, Labor Code section 2810.3.

Very truly yours,

BIBIYAN LAW GROUP, P.C.

/s/ Jeffrey D. Klein

Jeffrey D. Klein

cc: Montage Laguna Beach, LLC (via U.S. Certified Mail, Return Receipt Requested)
Hospitality Staffing Solutions, LLC (via U.S. Certified Mail, Return Receipt Requested)

EXHIBIT 4

Gmail **Vedang Patel <vedang@tomorrowlaw.com>**

Thank you for your Proposed Settlement Submission

1 message

no-reply@formassembly.com <no-reply@formassembly.com> Mon, Mar 30, 2026 at 4:10 PM
To: vedang@tomorrowlaw.com

03/30/2026 04:10:03 PM

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

Item submitted: Proposed Settlement

On 03/30/2026 04:10:03 PM your Proposed Settlement was successfully processed for case number LWDA-CM-928439-23

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: http://labor.ca.gov/Private_Attorneys_General_Act.htm

Gmail

Vedang Patel <vedang@tomorrowlaw.com>

Thank you for your Proposed Settlement Submission

no-reply@formassembly.com <no-reply@formassembly.com> Mon, Mar 30, 2026 at 4:39 PM
To: vedang@tomorrowlaw.com

03/30/2026 04:38:06 PM

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

Item submitted: Proposed Settlement

On 03/30/2026 04:38:06 PM your Proposed Settlement was successfully processed for case number LWDA-CM-928439-23
[Quoted text hidden]