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10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
11 **FOR THE COUNTY OF SANTA CLARA**

12 DIANE DE LA CRUZ, individually, on behalf
13 of all others similarly situated, and on behalf of
14 the State of California and other aggrieved
persons,

15 *Plaintiff,*

16 v.

17 JAMES NICHOLSON ENTERPRISES dba
18 DINSMORE LANDSCAPE COMPANY, a
California corporation; and DOES 1 through 10,
19 inclusive,

20 *Defendants.*
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Case No.: 23CV421709

*[Assigned for All Purposes to the Hon.
Theodore C. Zayner, Dept. 19]*

**DECLARATION OF ARRASH T.
FATTAHI IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Preliminary Approval Hearing:

Date: April 1, 2026

Time: 1:30 p.m.

Dept: 19

Action Filed: August 30, 2023

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1. I am admitted, in good standing, to practice as an attorney in the State of California, and the United States District Courts for the Central, Southern, Eastern, and Northern Districts of California. I am a Partner at Wilshire Law Firm, PLC, counsel of record for Plaintiff Diane De La Cruz (“Plaintiff”). I have personal knowledge of the facts set forth in this declaration and could and would competently testify to them under oath if called as a witness. This Declaration is submitted in support of Plaintiff’s Motion for Preliminary Approval of Class Action and PAGA Settlement.

2. This is a wage and hour class action and anticipated representative action pursuant to the Private Attorneys General Act (“PAGA”) (Cal. Lab. Code §§ 2699, *et seq.*) Plaintiff and putative class members were current and former hourly non-exempt employees who worked for Defendant in California at any time during the class period. Defendant is a landscape management company offering landscape construction services to Silicon Valley properties.

4. On August 30, 2023, Plaintiff filed a putative wage and hour class action complaint against Defendant for: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; and (8) unfair business practices. On September 22, 2023, Plaintiff sent a notice to Defendant and

1 the California Labor & Workforce Development Agency (“LWDA”) alleging similar wage and
2 hour violations pursuant to PAGA. A true and correct copy of Plaintiff’s PAGA letter to
3 Defendant and the LWDA is attached hereto as **Exhibit 1**. On September 22, 2023, Simon Perez
4 Flores sent a notice to Defendant and the LWDA alleging similar wage and hour violations
5 pursuant to PAGA. A true and correct copy of Simon Perez Flores’ PAGA letter to Defendant and
6 the LWDA is attached hereto as **Exhibit 2**. On October 22, 2024, Plaintiff filed a First Amended
7 Complaint in this action adding a cause of action for civil penalties under PAGA. On January
8 5, 2024, Simon Perez Flores filed a representative action against Defendant for civil penalties
9 under PAGA in the Superior Court of California, County of Santa Clara, Case No.
10 24CV428669. As part of this Motion, Plaintiff requests leave to amend to file a Second
11 Amended Complaint to add Simon Perez Flores and Santos Andrade Nazario as named
12 plaintiffs in this action. A true and correct copy of the proposed Second Amended Complaint with
13 edits in redline is attached hereto as **Exhibit 3**.

14 DISCOVERY AND INVESTIGATION

15 5. Following the filing of the initial complaint, the Parties exchanged documents and
16 information before mediating this action. Defendant produced a sampling of timekeeping and pay
17 records for the class members. Defendant also provided its handbook in effect during the class
18 period and information regarding the total number of current and former employees in its informal
19 discovery responses.

20 6. After reviewing documents regarding Defendant’s employment policies and
21 practices and analyzing Defendant’s timekeeping and payroll records, Class Counsel was able to
22 evaluate the probability of class certification and success on the merits and assess Defendant’s
23 maximum monetary exposure for all claims. Class Counsel also investigated the applicable law
24 regarding the claims and defenses asserted in the litigation. Class Counsel reviewed these records
25 and utilized an expert to prepare a damages analysis prior to mediation.

26 SETTLEMENT NEGOTIATIONS

27 7. On March 13, 2025, and April 3, 2025, the Parties participated in a private mediation
28 with experienced class action mediator, Michael Mandel, Esq. The settlement negotiations were at

1 arm's length and, although conducted in a professional manner, were adversarial. The Parties went
2 into the mediation willing to explore the potential for a settlement of the dispute, but each side was
3 also prepared to litigate their position through trial and appeal if a settlement had not been reached.

4 8. After extensive negotiations and discussions regarding the strengths and
5 weaknesses of Plaintiff's claims and Defendant's defenses, the Parties reached a settlement, the
6 material terms of which are encompassed within the Settlement. A true and correct copy of the
7 Class Action and PAGA Settlement Agreement and Release ("Settlement Agreement") is attached
8 hereto as **Exhibit 4**.

9 9. Class Counsel submitted the proposed settlement to the LWDA before filing this
10 Motion for Preliminary Approval. A true and correct copy of the confirmation of submission of
11 the Settlement Agreement to the LWDA is attached hereto as **Exhibit 5**.

12 10. My office requested several bids from experienced class action settlement
13 administrators to handle the responsibilities of the Settlement Administrator under this Settlement.
14 The Parties accepted the bid of Phoenix Settlement Administrators ("Phoenix"). Phoenix has
15 multiple years of experience in the field of class action administration, particularly in the wage and
16 hour arena. Phoenix's bid accounts for Notice in English and Spanish. A true and correct copy of
17 Phoenix's bid is attached hereto as **Exhibit 6**.

18 11. No one at Wilshire Law Firm, PLC (meaning the law firm itself and anyone
19 employed at the law firm) has any interest, financial or otherwise, in the proposed third-party
20 administrator, Phoenix. No one at Wilshire Law Firm, PLC has any actual or potential conflict of
21 interest with any class member. I am not aware of any other pending matter or action asserting
22 claims that will be extinguished or adversely affected by the Settlement.

23 12. Wilshire Law Firm, PLC has a fee-splitting agreement with Messrelian Law Inc.
24 Plaintiff Diane De La Cruz and Simon Perez Flores have given their written consent to this fee-
25 splitting agreement pursuant to California Rules of Professional Conduct, Section 1.5.1.

26 THE PROPOSED SETTLEMENT IS FAIR AND REASONABLE

27 13. Class Counsel has conducted a thorough investigation into the facts of this case.
28 Based on the Parties' informal exchange of documents and information and Class Counsel's own

1 independent investigation and evaluation, Class Counsel is of the opinion that the Settlement is
2 fair, reasonable, and adequate and is in the best interests of the Settlement Class Members in light
3 of all known facts and circumstances, the risk of significant delay, the defenses that could be
4 asserted by Defendant both to certification and on the merits, trial risk, and appellate risk.

5 14. Based on an analysis of the facts and legal contentions in this case, documents and
6 information from Defendant, I evaluated Defendant's maximum exposure. I took into account the
7 risk of not having the claims certified and the risk of not prevailing at trial, even if the claims are
8 certified. After using the data Defendant provided, including class member timekeeping and
9 payroll records, as well as class member demographics (i.e., the number of class members,
10 workweeks, and average total compensation of the class), with the assistance of a statistics expert,
11 I created a damages model to evaluate the realistic range of potential recovery for the class. The
12 damages model is based on the following benchmarks:

- 13 a. Total Class Members: 388
- 14 b. Terminated Class Members during 3-year statute of limitations period: 236
- 15 c. Total Workweeks: 25,000
- 16 d. PAGA Pay Periods: 7,200
- 17 e. Aggrieved Employees: 242
- 18 f. Average Hourly Rate: \$22.50

19 15. Based on Plaintiff's discovery and investigation, Class Counsel reached the
20 conclusion that Defendant: failed to pay class members for all hours worked, including minimum,
21 straight time, and overtime wages, by requiring employees to work off-the-clock; had a policy and
22 practice of not providing its employees with California compliant meal and rest periods for which
23 it did not pay appropriate premiums; and failed to reimburse its employees for business-related
24 expenses. Defendant denies these claims.

25 16. Minimum and Overtime Wages: Plaintiff alleges that Defendant failed to pay for all
26 hours worked, including minimum, straight time, and overtime wages, by requiring class members
27 to work off-the-clock, unpaid. For purposes of calculating Defendant's liability based on a best-
28 case scenario for Plaintiff and the Class, I estimate that Defendant's maximum potential exposure

1 by assuming that all unpaid work time should have been paid at the overtime rate, and I assumed
2 that Defendant is liable for one-half (0.50) hour of unpaid worktime per workweek. This results in
3 an estimate of approximately \$421,875.00 (25,000 workweeks x \$22.50 hourly rate x 1.5 overtime
4 rate x 0.50 hour of unpaid work per workweek), but I applied a risk discount based on a 30%
5 chance of succeeding at class certification and a 30% chance of succeeding at trial on the merits
6 because liability depends on whether Defendant knew or should have known that class members
7 were working off-the-clock, yielding a realistic damage estimate of approximately \$37,968.75
8 (\$421,875.00 x 30% x 30%).

9 17. Meal Periods: With respect to the meal period claim, Plaintiff alleges that Defendant
10 required her and similarly situated class members to either work in lieu of taking meal periods, or
11 their meal periods were untimely or interrupted. Plaintiff further alleges that Defendant's own
12 records reflect facially non-compliant meal periods. Assuming a 50% violation rate for the class
13 period based on Plaintiff's and other class members' experience working for Defendant as well as
14 the records Defendant provided, Defendant's potential liability for the meal period claim is
15 approximately \$1,558,136.25 (138,501 shifts x \$22.50 hourly rate x 50% violation rate). After
16 taking into account the difficulty of certifying and proving meal period claims, as well as
17 Defendant's contention that the claim lacks merit and a 50% violation rate is unrealistic, I
18 discounted this figure based on a 20% chance of succeeding at class certification and a 20% chance
19 of succeeding at trial, yielding a realistic damage estimate of approximately \$62,325.45
20 (\$1,558,136.25 x 20% x 20%).

21 18. Rest Periods: With respect to the rest period claim, Plaintiff alleges that Defendant
22 required her and similarly situated class members to work in lieu of taking rest periods, remain on-
23 call during their rest periods or their rest periods were interrupted. Assuming a 50% violation rate
24 for the class period based on Plaintiff's and other class members' experience working for
25 Defendant, Defendant's potential liability for the rest period claim is approximately \$1,558,136.25
26 (138,501 shifts x \$22.50 hourly rate x 50% violation rate); however, I discounted this figure to
27 account for the difficulty of certifying and proving rest period claims, particularly because rest
28 periods do not have to be recorded, and to account for the possibility of Class Members voluntarily

1 choosing to forego a rest period. Because this claim would have relied exclusively on Class
2 Member testimony, I discounted this claim based on a 20% chance of succeeding at class
3 certification and a 20% chance of succeeding at trial, yielding a realistic damage estimate of
4 approximately \$62,325.45 ($\$1,558,136.25 \times 20\% \times 20\%$).

5 19. Reimbursements: Plaintiff further alleges that Defendant failed to reimburse
6 necessary business expenses. More specifically, Plaintiff alleges that Defendant required her and
7 similarly situated class members to use their personal cell phones for work-related purposes and to
8 purchase a company uniform. For purposes of calculating Defendant's liability based on a best-
9 case scenario for Plaintiff and the Class, I estimated that Defendant was liable to each class member
10 for \$50 per month, or \$12.50 per workweek, in unreimbursed expenses, for a total amount of
11 approximately \$312,500.00 ($\$12.50 \times 25,000$ workweeks); however, I discounted this figure based
12 on an evaluation of a 30% chance of succeeding at class certification and a 30% chance of
13 succeeding at trial to account for the difficulty of certifying and proving expense reimbursement
14 claims, yielding a realistic damage estimate of approximately \$28,125.00 ($\$312,500.00 \times 30\% \times$
15 30%).

16 20. In sum, I estimated that Plaintiff's maximum recovery for the off-the-clock claim,
17 meal period violations, rest period violations, and reimbursements is approximately \$3,850,647.50,
18 but, after factoring in the risk and uncertainty of prevailing at certification and trial, I estimate that
19 Plaintiff's realistic estimated recovery for these non-penalty claims is approximately \$190,744.65.

20 21. Penalties: With respect to Plaintiff's derivative claims for statutory penalties as well
21 as civil penalties, Plaintiff estimated that Defendant's realistic potential liability is approximately
22 \$115,676.00. Defendant's maximum potential liability for waiting time penalties is approximately
23 \$1,274,400.00 (236 employees $\times$ \$22.50 hourly rate $\times$ 8.00 average hours/day $\times$ 30 days) based on
24 approximately 236 terminated class members during the 3-year statute of limitations period.
25 Defendant's maximum potential liability for inaccurate wage statements is approximately
26 \$717,500.00 ($[(250 \text{ employees} \times 1 \text{ initial violation/employee} \times \$50 \text{ for an initial violation}) + ((7,300$
27 $\text{pay periods} - 250 \text{ initial violations}) \times \$100 \text{ for each subsequent violation}])$ based on approximately
28 250 class members who worked during the 1-year statute of limitations period and approximately

7,300 pay periods in that timeframe. Defendant's maximum potential liability for PAGA violations is approximately \$720,000.00 based on the Court assessing a \$100 penalty for initial violations for all 7,200 pay periods within the PAGA period. In light of the foregoing, I believe that it would be unrealistic to expect the Court to award the full \$2,711,900.00 in penalties given Defendant's defenses, the contested nature of Plaintiff's claims, the challenges of establishing willfulness as applicable, and the discretionary nature of penalties. Considering that the underlying wage claims are realistically estimated to be approximately \$190,744.65, such a disproportionate award would also raise due process concerns. As such, I discounted these figures to account for the risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately \$50,976.00 for waiting time penalty claims ($\$1,274,400.00 \times 20\% \times 20\%$), approximately \$28,700.00 for wage statement penalty claims ($\$717,500.00 \times 20\% \times 20\%$), and approximately \$36,000.00 for PAGA penalties ($\$720,000.00 \times 5\%$), or approximately \$115,676.00 total for statutory and civil penalties.

22. Using these estimated figures, Plaintiff predicted that the realistic maximum recovery for all claims, including penalties, would be approximately \$306,420.65. This means that the \$250,000.00 gross settlement figure represents approximately **82%** of the **realistic maximum recovery** ($\$250,000.00 / \$306,420.65$). Further, the \$3,600.00 allocation for PAGA penalties represents approximately 10% of the realistic maximum recovery ($\$3,600.00 / \$36,000.00$). Considering the risk and uncertainty of prevailing at class certification and at trial, this is an excellent result for the Class.¹ Indeed, because of the proposed Settlement, class members will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment.

23. While Plaintiff is confident in the merits of her claims, a legitimate controversy exists as to each cause of action. Plaintiff also recognizes that proving the amount of wages due to each class member would be an expensive, time-consuming, and uncertain proposition.

24. This Settlement avoids the risks and the accompanying expense of further litigation.

¹ See, e.g., *Wise v. Ulta Salon, Cosmetics & Fragrance, Inc.* (E.D. Cal. Aug. 21, 2019) 2019 WL 3943859 at *8 (granting preliminary approval where the proposed allocation to settle class claims was between 9.53 percent of Plaintiffs' maximum recovery); *Bravo v. Gale Triangle, Inc.* (C.D. Cal. Feb 16, 2017) 2017 WL 708766 at * 10 (finding that "a settlement for fourteen percent recovery of Plaintiffs' maximum recovery is reasonable"); *In re Omnivision Techs., Inc.* (N.D. Cal. 2008) 559 F.Supp.2d 1036, 1042 (approving settlement amount that "is just over 9% of the maximum potential recovery asserted by either party.").

1 Although the Parties had engaged in a significant amount of investigation, informal discovery and
2 class-wide data analysis, the Parties had not yet completed formal written discovery. Plaintiff
3 intended to depose corporate officers and managers of Defendant. Moreover, preparation for class
4 certification and a trial remained for the Parties, as well as the prospect of appeals in the wake of
5 a disputed class certification ruling for Plaintiff and/or adverse summary judgment ruling. Had the
6 Court certified any claims, Defendant could move to decertify the claims. As a result, the Parties
7 would incur considerably more attorneys' fees and costs through trial.

8 25. The Net Settlement Amount available for settlement payments is estimated to be
9 approximately \$115,066.67 for a class of approximately 388 persons.² As a result, each Settlement
10 Class Member is eligible to receive an average net benefit of approximately \$296.56.

11 26. The proposed Settlement of \$250,000.00, therefore, represents a substantial
12 recovery when compared to Plaintiff's reasonably forecasted recovery. When considering the risks
13 of litigation, the uncertainties involved in achieving class certification, the burdens of proof
14 necessary to establish liability, the probability of appeal of a favorable judgment, it is clear that the
15 settlement amount of \$250,000.00 is well within the "ballpark" of reasonableness, and preliminary
16 settlement approval is appropriate.

17 SERVICE PAYMENTS FOR PLAINTIFFS ARE REASONABLE

18 27. Class Counsel represents that Plaintiff devoted a great deal of time and work
19 assisting counsel in the case, communicated with counsel very frequently for litigation and to
20 prepare for mediation, and was frequently in contact with Class Counsel during the mediation.
21 Plaintiff's requested service payment is reasonable, particularly in light of the substantial benefits
22 Plaintiff generated for all class members.

23 28. Throughout this litigation, Plaintiff, who is a former employee of Defendant, has
24 cooperated immensely with my office and has taken many actions to protect the interests of the
25 class. Plaintiff provided valuable information regarding the off-the-clock, meal period, rest period,
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27 ² The estimated Net Settlement Amount is: \$250,000.00 minus \$83,333.33 for Class Counsel's attorneys'
28 fees, minus \$25,000.00 for Class Counsel's litigation expenses, minus \$8,000.00 for administration costs, minus
\$3,600.00 for the PAGA payments, and minus \$15,000.00 for the class representative service payments to each of the
Plaintiffs for \$5,000.00.

1 and indemnity claims. Plaintiff also informed my office of developments and information relevant
2 to this action, participated in decisions concerning this action, and made herself available to answer
3 questions during the mediation. Plaintiff provided my office with information regarding the claims
4 alleged in this action. The information provided by Plaintiff was instrumental in establishing the
5 wage and hour violations alleged in this action, and the recovery provided for in the Settlement
6 Agreement would have been impossible to obtain without Plaintiff's participation.

7 29. At the same time, Plaintiff faced many risks in adding herself as the class
8 representative in this matter. Plaintiff faced actual risks with her future employment, as putting
9 herself on public record in an employment lawsuit could also very well affect her likelihood for
10 future employment.

11 30. In turn, class members will now have the opportunity to participate in a settlement,
12 reimbursing them for alleged wage violations they may have never known about on their own or
13 been willing to pursue on their own. If these class members would have each tried to pursue their
14 legal remedies on their own, that would have resulted in each having to expend a significant amount
15 of their own monetary resources and time, which were obviated by Plaintiff putting herself on the
16 line on behalf of these other class members.

17 31. In the final analysis, this class action would not have been possible without the aid
18 of Plaintiff, who put her own time and effort into this litigation and placed herself at risk for the
19 sake of the class members. The requested service payment for Plaintiff for her service as the class
20 representative is a relatively small amount of money when the time and effort put into the litigation
21 are considered, and in comparison to enhancements granted in other class actions. The requested
22 service payment is therefore reasonable to compensate Plaintiff for her active participation in this
23 lawsuit.

24 THE REQUEST FOR ATTORNEYS' FEES AND COSTS IS REASONABLE

25 32. The Settlement provides for attorneys' fees payable to Class Counsel in an amount
26 up to one third (1/3) of the Settlement Amount, for a maximum fees award of \$83,333.33, plus
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1 costs estimated at \$15,000.00.³ The proposed award of attorneys' fees to Class Counsel in this
2 case can be justified under either method – lodestar or percentage recovery. Class Counsel intends
3 to provide justification of their requested attorneys' fees and costs at final approval.

4 33. I am informed and believe that the fee and costs provision is reasonable. The fee
5 percentage requested is less than that charged by my office for most employment cases. My office
6 invested significant time and resources into the case, with payment deferred to the end of the case,
7 and then, of course, contingent on the outcome.

8 34. It is further estimated that my office will need to expend at least another 50 to 100
9 hours to monitor the process leading up to the final approval and payments made to the class. My
10 office also bears the risk of taking whatever actions are necessary if Defendant fails to pay.

11 35. The risk to my office has been very significant, particularly if we would not be
12 successful in pursuing this class action. In that case, we would have been left with no compensation
13 for all the time taken in litigating this case. The contingent risk in these types of cases is very real
14 and they do occur regularly. Furthermore, we were precluded from focusing on, or taking on, other
15 cases which could have resulted in a larger, and less risky, monetary gain.

16 36. Because most individuals cannot afford to pay for representation in litigation on an
17 hourly basis, Wilshire Law Firm, PLC represents virtually all its employment law clients on a
18 contingency fee basis. Pursuant to this arrangement, we are not compensated for our time unless
19 we prevail at trial or successfully settle our clients' cases. Because Wilshire Law Firm, PLC is
20 taking the risk that we will not be reimbursed for our time unless our client settles or wins his or
21 her case, we cannot afford to represent an individual employee on a contingency basis if, at the
22 end of our representation, all we are to receive is our regular hourly rate for services. It is essential
23 that we recover more than our regular hourly rate when we win if we are to remain in practice so
24 we can continue representing other individuals in civil rights employment disputes.

25 MY EXPERIENCE AND QUALIFICATIONS

26 37. Wilshire Law Firm, PLC was selected by Best Lawyers and U.S. News & World
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28 ³ Actual costs will be closer to \$25,000, since the cost of mediation and other miscellaneous expenses were not accounted for in the original \$15,000 estimated figure.

1 Report as one of the nation's Best Law Firms for every year since 2020 and is comprised of over
2 120 attorneys and over 600 total employees. Wilshire Law Firm, PLC is actively and continuously
3 practicing in employment litigation, representing employees in both individual and class actions
4 in both state and federal courts throughout California.

5 38. Wilshire Law Firm, PLC is qualified to handle this litigation because its attorneys
6 are experienced in litigating Labor Code violations in both individual, class action, and
7 representative action cases. Wilshire Law Firm, PLC has handled, and is currently handling,
8 numerous wage and hour class action lawsuits, as well as class actions involving consumer rights
9 and data privacy litigation.

10 39. I graduated from the University of California, Los Angeles with a Bachelor of Arts
11 in Political Science, *summa cum laude*. I received my Juris Doctor from The George Washington
12 University Law School. During law school, I was a member of the student editorial board for the
13 Federal Circuit Bar Journal.

14 40. My practice is focused on advocating for the rights of consumers and employees in
15 class action litigation. I am currently the managing attorney in charge of litigating several class
16 action cases in state and federal courts in California.

17 41. As the attorney responsible for day-to-day management of this matter at Wilshire
18 Law Firm, PLC, I have over five (5) years of experience litigating wage and hour class actions.
19 Over the past five (5) plus years, I have managed and assisted with the litigation and settlement of
20 numerous wage and hour class actions. In those class actions, I performed similar tasks as those
21 performed in the course of prosecuting this action.

22 42. I was selected as a "Southern California Rising Star" in 2025.

23 43. My current contingent billing rate of \$850 per hour is consistent with the legal
24 market, accepted hourly rates, and my expertise and knowledge as it pertains to wage and hour
25 matters. Below is a non-exhaustive list of the cases where I have been appointed as class counsel
26 in my own right (as opposed to being part of a firmwide appointment of counsel):

- 27 a. *Kingsbury v. Caravan Foods II, Inc.*, Alameda County, Case No. RG21096357;
28 Motion for Final Approval granted on January 31, 2023.

- b. *Frias-Estrada v. Trek Retail Corporation*, Contra Costa County, Case No. MSC20-01916; Motion for Final Approval granted on March 3, 2023.
- c. *Reyes v. Everytable, PBC, et al.*, Los Angeles County, Case No. 21STCV35987; Motion for Final Approval granted on May 3, 2023.
- d. *Ortiz v. Tara Materials, Inc.*, San Diego County, Case No. 37-2021-0001473-CU-OE-CTL; Motion for Final Approval granted on May 30, 2023.
- e. *Cruz-Sanchez v. Eagle Lath & Plaster, Inc.*, Sacramento County, Case No. 34-2021-00293739-CU-OE-GDS; Motion for Final Approval granted on May 30, 2023.
- f. *Garduno v. New Generation Framing, Inc., et al.*, Stanislaus County, Case No. CV-21-000544; Motion for Final Approval granted on August 11, 2023.
- g. *Hernandez, et al. v. Burford Farming Company, Inc.*, Fresno County, Case No. 21CECG03817; Motion for Final Approval granted on August 21, 2023.
- h. *Barajas v. Final Phase Construction, Inc.*, San Bernardino County, Case No. CIVSB2118622; Motion for Final Approval granted on September 13, 2023.
- i. *Jaimes, et al. v. Infiniti Health LLC*, Los Angeles County, Case No. 22STCV07261; Motion for Final Approval granted on October 17, 2023.
- j. *Nunez v. Gabriel Container*, Los Angeles County, Case No. 21STCV09787; Motion for Final Approval granted on November 2, 2023.
- k. *Lupercio v. Western CNC, Inc.*, San Diego County, Case No. 37-2021-00010314-CU-OE-CTL; Motion for Final Approval granted on January 26, 2024.
- l. *Jackson, et al. v. Apple Valley Communications, Inc., et al.*, San Bernardino County, Case No. CIVSB2124721; Motion for Final Approval granted on February 1, 2024.
- m. *Cuadras, et al. v. Guinn Corporation*, Kern County, Case No. BCV-21-101520; Motion for Final Approval granted on February 22, 2024.
- n. *Williams v. Total Longterm Care, Inc., et al.*, San Bernardino County, Case No. CIVSB2213347; Motion for Final Approval granted on April 2, 2024.
- o. *Meza v. Argus Management Company, LLC, et al.*, Los Angeles County, Case No. 21STCV31612; Motion for Final Approval granted on May 20, 2024.

- 1 p. *Wade v. Mallory Safety and Supply LLC*, Siskiyou County, Case No. 23CV00951;
2 Motion for Final Approval granted on July 11, 2024.
- 3 q. *Snell v. Shasta Community Health Center*, Shasta County, Case No. CVCV22-
4 199416; Motion for Final Approval granted on November 12, 2024.
- 5 r. *Arce v. Sammy's Woodfired Pizza*, San Diego County, Case No. 37-2023-00037670-
6 CU-OE-CTL; Motion for Final Approval granted on January 10, 2025.
- 7 s. *Ochoa, et al. v. La Tavola, LLC*, Napa County, Case No. 22CV000862; Motion for
8 Final Approval granted on January 23, 2025.
- 9 t. *Brown, et al. v. Fidelity Security Services, Inc.*, Los Angeles County, Case No.
10 21STCV31617; Motion for Final Approval granted on January 28, 2025.
- 11 u. *Torres v. Lupton Excavation, Inc.*, Sacramento County, Case No. 34-2022-
12 00317401-CU-OE-GDS; Motion for Final Approval granted on April 18, 2025.
- 13 v. *Peterson v. PJ Printers*, Orange County, Case No. 30-2022-01247546-CU-OE-
14 CTL; Motion for Final Approval granted on April 25, 2025.
- 15 w. *Harris v. D&D Gear Incorporated dba Absolute Technologies, Inc.*, Orange
16 County, Case No. 30-2021-01222330-CU-OE-CTL; Motion for Final Approval
17 granted on April 25, 2025.
- 18 x. *Carter v. Medlab2020, Inc.*, Orange County, Case No. 30-2022-01247444-CU-OE-
19 CXC; Motion for Final Approval granted on May 22, 2025.
- 20 y. *Guarista, et al. v. Urologic Institute of the High Desert, Inc.*, San Bernardino
21 County, Case No. CIVSB2125029; Motion for Final Approval granted on June 17,
22 2025.
- 23 z. *Carbajal v. Mattco Forge, Inc.*, Los Angeles County, Case No. 23STCV12264;
24 Motion for Final Approval granted on July 28, 2025.

25 44. Arman A. Salehi ("Mr. Salehi") is an Associate Attorney at Wilshire Law Firm,
26 PLC. He was admitted to practice law in the State of California in 2023. Mr. Salehi graduated from
27 the University of California, Los Angeles, with a Bachelor of Arts in Sociology. He received his
28 Juris Doctor from the University of California College of the Law, San Francisco (formerly known

1 as U.C. Hastings). Since November 2023, Mr. Salehi’s practice has mainly been focused on wage
2 and hour class action litigation. Mr. Salehi’s hourly billing rate is \$600.00.

3 45. Emily K. Borman (“Ms. Borman”) is a Junior Partner at Wilshire Law Firm, PLC.
4 She was admitted to practice law in the State of California in May 2015. Ms. Borman graduated
5 from Cornell University with a Bachelor of Science in Development Sociology and a Minor in
6 Applied Economics and Management. While at Cornell she was inducted into the Alpha Kappa
7 Delta International Honor Society. Ms. Borman received her Juris Doctor from University of
8 California Law San Francisco (formerly UC Hastings). Since graduating, her practice has been in
9 employment law, including Plaintiff-side wage and hour cases. She has received numerous awards
10 for her legal work. In 2021 and from 2023 to 2025, Super Lawyers selected her as a “Southern
11 California Rising Star. Ms. Borman’s hourly billing rate is \$850.00.

12 46. Courtney M. Miller (“Ms. Miller”) is a Settlement Attorney at Wilshire Law Firm,
13 PLC. She was admitted to practice law in the State of California in 2019. Ms. Miller graduated from
14 the University of California, Santa Cruz, with a Bachelor of Arts in Sociology. Prior to becoming
15 an attorney, Ms. Miller worked at a boutique civil litigation firm for nearly a decade, primarily
16 handling employment matters. She earned her Juris Doctor from Southwestern Law School in 2019.
17 Ms. Miller has prosecuted wage and hour class and PAGA actions, almost exclusively, since 2020.
18 As a handling attorney, Ms. Miller obtained over \$30 million dollars in settlements on behalf of
19 California employees. Ms. Miller’s hourly billing rate is \$700.00.

20 47. Justin F. Marquez (“Mr. Marquez”) was a Senior Partner at Wilshire Law Firm,
21 PLC. He was admitted to practice law in the State of California in 2009. Mr. Marquez graduated
22 from the University of California, Los Angeles’s College Honors Program in 2004 with Bachelor
23 of Arts degrees in History and Japanese, *magna cum laude* and *Phi Beta Kappa*. As an
24 undergraduate, he also received a scholarship to study abroad for one (1) year at Tokyo University
25 in Tokyo, Japan. He received his Juris Doctor from Notre Dame Law School in 2008. He has
26 received numerous awards for his legal work. From 2017 to 2020, Super Lawyers selected him as
27 a “Southern California Rising Star,” and from 2022 to 2025, he was selected as a “Southern
28 California Super Lawyer.” He was selected as one of the “Best Lawyers in America” from 2023 to

1 2025. In 2016 and 2017, the National Trial Lawyers selected him as a “Top 40 Under 40” attorney.
2 In 2024, he, along with his colleagues at Wilshire Law Firm, PLC, received a CLAY (California
3 Lawyer Attorneys of the Year) award for his work on a false advertising case against Apple which
4 ultimately led to a \$25 million settlement. Mr. Marquez’s hourly rate while at Wilshire Law Firm,
5 PLC was \$1,500 per hour.

6 48. The reasonableness of Wilshire Law Firm, PLC’s hourly rates is also supported by
7 several surveys of legal rates, including the following:

8 a. The 2022 Real Rate Report survey compiled by Wolters Kluwer, which
9 presents the real market rates of Los Angeles area attorneys who practice litigation. For that
10 category, the third quartile 2022 rate was \$1,045 per hour for partners and \$855 for associates.
11 Likewise, page 32 of the Report describes the rates charged by 183 Los Angeles partners with “21
12 or more years of experience” and “Fewer than 21 years.” For those categories, the third quartile
13 Los Angeles partner rate in 2022 were \$1,133 per hour for 21 or more years and \$1,075 for
14 attorneys with fewer than 21 years. A true and correct copy of portions of the 2022 Real Rate
15 Report is attached hereto as **Exhibit 7**.

16 b. In an article entitled “Big Law Rates Topping \$2,000 Leave Value ‘In Eye
17 of Beholder,’” written by Roy Strom and published by Bloomberg Law on June 9, 2022, the author
18 describes how Big Law firms have crossed the \$2,000-per hour rate. The article also notes that law
19 firm rates have been increasing by just under 3% per year. A true and correct copy of this article
20 is attached hereto as **Exhibit 8**.

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

23 Executed on March 9, 2026, at Los Angeles, California.

24 

25 _____
26 Arrash T. Fattahi
27
28

EXHIBIT 1

WILSHIRE LAW FIRM, PLC

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



Bobby Saadian, Esq. JD/MBA

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

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

September 22, 2023

LWDA

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

James Nicholson Enterprises dba Dinsmore Landscape Company
161 Curtner Avenue, Building 2
Campbell, CA 95008
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6490 0480 47

Ashley Myles
Agent for Service of Process for:
James Nicholson Enterprises dba Dinsmore Landscape Company
161 Curtner Avenue, Building 2
Campbell, CA 95008
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6490 0480 54

Re: ***Diane De La Cruz v. James Nicholson Enterprises dba Dinsmore Landscape Company***
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Diane De La Cruz ("Plaintiff") to pursue a Labor Code Private Attorneys General Act ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against her former employer, James Nicholson Enterprises dba Dinsmore Landscape Company ("Defendant"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Defendant engaged in with respect to Plaintiff and all of Defendant's Aggrieved Employees.

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

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

Plaintiff's Employment with Defendant

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

Plaintiff DIANE DE LA CRUZ is a resident of Santa Clara County, California who worked for Defendant in Santa Clara County, California as an hourly-paid, non-exempt employee from approximately September 2022 to approximately June 2023. Defendant typically scheduled Plaintiff to work at least five days in a workweek and at least eight hours per day, but Plaintiff regularly worked more than eight hours in a workday and/or more than forty (40) hours in a workweek.

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

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

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

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

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

Throughout the statutory period, Defendant maintained a policy and practice of not paying Plaintiff and the Aggrieved Employees for all hours worked, including minimum, straight time, and overtime wages. Defendant regularly used a system of time rounding and/or synthetic timekeeping that resulted, over a period of time, in failing to compensate Plaintiff and the Aggrieved Employees properly for all the time they have actually worked, even though the

realities of Defendant's operations are such that it is possible, practical, and feasible to count and pay for work time to the minute. Accordingly, Defendant frequently paid Plaintiff and the Aggrieved Employees less than all their work time. Some of this unpaid work also should have been paid at the overtime rate. In failing to pay for all hours worked, Defendant also failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked.

Throughout the statutory period, Defendant maintained a policy and practice of not paying Plaintiff and the Aggrieved Employees for all hours worked, including minimum, straight time, and overtime wages. Defendant required Plaintiff and the Aggrieved Employees to work "off-the-clock," uncompensated, by, for example, requiring Plaintiff and the Aggrieved Employees to perform work during unpaid meal periods. Some of this unpaid work should have been paid at the overtime rate. In failing to pay for all hours worked, Defendant also failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked.

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

Failure to Provide Meal Periods

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

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

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

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

Failure to Authorize and Permit Rest Periods

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

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

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

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

Failure to Pay All Earned Wages Twice Per Month

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

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However,

during all such times, Defendant systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owes employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

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

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

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

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

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

Failure to Timely Pay All Wages at Termination

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

previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

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

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

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

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

Failure to Furnish Accurate Itemized Wage Statements

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

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and

one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney's fees." (Lab. Code § 226(e)(1).)

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

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

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

Failure to Indemnify for Necessary Expenditures

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

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

Action for Civil Penalties Under PAGA

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

1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing to provide meal periods;

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

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

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

Sincerely,

WILSHIRE LAW FIRM

A handwritten signature in black ink, appearing to read "Justin Marquez", written over the printed name.

Justin F. Marquez, Esq.



WILSHIRE LAW FIRM, PLC

3055 WILSHIRE BLVD. 12TH FLOOR
LOS ANGELES, CA 90010

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE



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Ashley Myles

Agent for Service of Process for:

James Nicholson Enterprises dba Dinsmore

Landscape Company

161 Curtner Avenue, Building 2

Campbell, CA 95008

242634



WILSHIRE LAW FIRM, PLC

3055 WILSHIRE BLVD. 12TH FLOOR
LOS ANGELES, CA 90010

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James Nicholson Enterprises dba Dinsmore
Landscape Company
161 Curtner Avenue, Building 2
Campbell, CA 95008

747634

EXHIBIT 2

VIA ELECTRONIC FILING

October 6, 2023

California Labor & Workforce Development Agency (LWDA)
Attn. PAGA Administrator
800 Capitol Mall, MIC-55
Sacramento, California 95814

VIA U.S. CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

JAMES NICHOLSON ENTERPRISES
JAMES NICHOLSON
c/o ASHLEY MYLES
161 CURTNER AVENUE BUILDING 2
CAMPBELL, CA 95008

SIMON PEREZ FLORES v. JAMES NICHOLSON ENTERPRISES; JAMES NICHOLSON

RE: PRIVATE ATTORNEYS GENERAL ACT NOTICE

To Whom It May Concern:

Please be informed that our client, Mr. Simon Perez Flores (hereinafter “Mr. Perez” or “our client”) seeks penalties on behalf of the State of California and all current and former non-exempt or hourly paid California employees (“aggrieved employees”) who worked for JAMES NICHOLSON ENTERPRISES and JAMES NICHOLSON (hereinafter collectively referred to as “JNE”) at all of their locations in the State of California, during the relevant time period pursuant to California Labor Code section 2698, et. seq., the Labor Code Private Attorneys General Act of 2004 (“PAGA”). The purpose of this letter is to comply with the statutory requirements of California Labor Code section 2699.3 and shall constitute notice of the same. Individual JAMES NICHOLSON is being included in this PAGA notice pursuant to Labor Code section 558.1 in that he was and is the owner, managing agent, and/or director of JAMES NICHOLSON ENTERPRISES, was involved in the day-to-day operations of the business, and controlled the wages, hours, and/or working conditions of our client and other hourly, non-exempt employees.

Mr. Perez was employed by JNE as a laborer in 2023. Mr. Perez was classified as an hourly, non-exempt employee and was paid \$18 per hour. Mr. Perez’s employment ended on or around September 2023.

In the case of Huff v. Securitas Sec. Servs. USA, Inc., 23 Cal. App. 5th 745 (2018), Plaintiff, Huff, was employed as a security guard for the Defendant Employer, Securitas Security Services



MESSRELIAN LAW
ATTORNEYS AT LAW

500 N. Central Avenue, Suite 840

Glendale, California 91203

Tel: (818) 484-6531

Fax: (818) 956-1983

USA, Inc., an onsite security provider. After about a year of employment, Huff resigned. Huff then filed suit against Securitas under PAGA. In his claim, Huff specifically alleged violations to the Labor Code requiring immediate payment of wages upon termination of employment and weekly payment of wages to temporary employees. The trial court determined Huff was not a temporary employee, and therefore, lacked standing to bring the claim. Thus, Securitas was granted a motion for summary judgement. Later, the trial court granted Huff a new trial. Securitas then appealed the grant of a new trial. On appeal, the issue was whether Huff could bring a PAGA claim and sue for Labor Code violations that did not directly affect him. Securitas unsuccessfully argued that the PAGA statute only allows the PAGA representative to sue for violations that the representative has personally suffered. The PAGA statute states that an "aggrieved employee" is able to file suit on behalf of themselves and others. The statute also states that an "aggrieved employee" is "any person who was employed by the alleged violator and against whom one or more of the alleged violations was committed." Because at least one of the violations that Huff had alleged had affected him personally, the Court of Appeal denied Securitas' motion.

In sum, since PAGA allows Plaintiffs to bring suit on behalf of both themselves and other employees, it allows for suits broader than the specific violations the named employee experienced. Therefore, even if the employee did not personally experience the Labor Code violations, the employer may still be liable to under PAGA. Consequently, it is our position that Mr. Perez can equivocally bring the following labor code violations on behalf of all other employees, including ALL hourly, non-exempt employees, irrespective of job title or job duties, who worked for JNE at any time during the relevant PAGA period.

It is our position that JNE has violated the following Labor Code Sections against Mr. Perez and other aggrieved employees, who include all non-exempt, hourly employees, who worked for JNE at their various locations in the State of California during the relevant PAGA period.

JNE violated Labor Code § 1194, 1194.2, 1197, and 1197.1 because it failed to pay our client and other similarly situated aggrieved employees for all hours worked, including the statutory minimum wage for all hours worked and for "off the clock" work. This is so because JNE had a company policy wherein they would disproportionately round down the number of hours worked, resulting in "time shaving" and further resulting in aggrieved employees not being paid for all hours worked. In fact, JNE did not even have a formal timekeeping policy and did keep track of all hours worked, including the time that Mr. Perez would wait at the worksite/yard to see who he would be traveling with in order to perform landscaping duties. One look at Mr. Perez's paystubs and it's obvious that work hours were simply rounded to whole numbers without regard to exact clock-in and clock-out figures. Moreover, there were instances wherein Mr. Perez would stay 10-15 after his scheduled shift but he would not be compensated for this time as well as the time he would spend waiting around, while under the control of his employer, to see who he would be traveling with to the new work site. The latter is a minimum wage violation. Furthermore, as mentioned, there was no formal timekeeping system and all work hours were rounded, which is not in line with reality.



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Pursuant to California Industrial Welfare Commission Order No. 4/16-2001, Section 8(B), "When tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft." To the extent that JNE unequivocally required its employees to provide their own hand tools for the performance of their job duties. As such, JNE violated the aforementioned IWC Wage Order in that JNE required its laborers, including Mr. Perez, to provide and maintain hand tools and equipment customarily required by the trade but did NOT compensate these employees at least two (2) times the minimum wage at all times.

Furthermore, JNE was subject to the prevailing wage laws of the State of California pursuant to Labor Code § 1771, regarding work undertaken on public construction projects. Under Labor Code § 1771, the only legal wage which may be paid to workers on public works projects is the prevailing wage. JNE compensated our client and other similarly situated aggrieved employees for their labor on public improvement, or public works construction projects, at a rate of pay below the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and less than the general prevailing rate of per diem wages for holiday and overtime work.

JNE was subject to the prevailing wage laws of the State of California pursuant to Labor Code § 1774, regarding work undertaken on public construction projects. JNE violated Labor Code § 1774, because it paid its employees, including our client, less than the specific prevailing rates of wages to all workmen employed in the execution of the contract of the projects. Mr. Perez and others similarly situated worked on public works projects, especially for the State of California.

Due to the above "off the clock" violations, JNE also violated Labor Code §510 because it failed to pay our client and other aggrieved employees overtime compensation, even though they worked more than 8 hours per day, 12 hours per day, and/or 40 hours per week throughout their employment. Mr. Perez's and other aggrieved employees' actual work hours entitled them to overtime compensation, however, JNE did not compensate its hourly, non-exempt employees with ANY amount of overtime, despite the "off the clock" work and time shaving as described above. In fact, management told Mr. Perez that they simply don't pay overtime, even despite the fact that he would be under the control of the employer while waiting to go to the job sites. It did not matter that Mr. Perez or others worked more than 8 hours per day. Overtime was simply not part of the company policy. Furthermore, JNE failed to include bonuses/incentive payments in calculating employees' regular rate of pay for use in deciphering the correct overtime rate of pay. Additionally, the incentive and bonus payments were also not factored into employees' regular rate for purposes of receiving meal and rest break premiums per the Ferra v. Loews case.

JNE also violated Labor Code § 226.7 and the appropriate Industrial Welfare Commission Wage Order no. 4/5/16 because it failed to provide our client and other similarly situated aggrieved employees with timely 10-minute rest periods for every four hours of work, or majority portion thereof, throughout their employment. JNE did not completely relieve our client and others of all duty during said rest periods. JNE did not pay to our client and others one additional hour of pay



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at our client's regular rate of compensation for each workday that one or more statutory rest periods was not provided or was interrupted. Rest periods were also simply not part of the company policy and were not enforced at all. Furthermore, on those occasions where Mr. Perez and others had the time to be able to take rest periods, the company had a policy and practice of combining the multiple rest breaks into one time period, which is not allowed under the law.

JNE violated Labor Code §§ 512 and 226.7 and the appropriate Industrial Welfare Commission Wage Order no. 4/5/16 because it failed to provide hourly, non-exempt employees, including Mr. Perez and others, the requisite 30-minute, uninterrupted meal periods for every five (5) hours of work throughout their employment. JNE did not completely relieve Mr. Perez and other employees of all duty during said meal periods. JNE did not pay to Mr. Perez and its hourly, non-exempt employees one additional hour of pay at their regular rate of compensation for each workday that one or more statutory meal periods was not provided. Mr. Perez and the hourly, non-exempt employees would not always receive timely, uninterrupted meal periods. The latter was due to the workload and due to being in a fast-paced work environment and in having to finish the jobs. Furthermore, Mr. Perez and others seemingly did not clock in and clock out for meal periods.

Consequently, it was the normal practice and custom of JNE not to authorize, permit, and enforce timely, uninterrupted, statutory meal periods. If JNE had our client sign a meal period waiver, it would not be valid and enforceable since our client and others generally worked more than a 6-hour shift. If JNE had our client sign an on-duty meal period agreement wherein our client agreed to work through the meal periods, it would be invalid and unenforceable because the nature of our client's job does not and did not prevent him from taking a meal period and the company could have hired "breakers" to relieve Mr. Perez of his job duties so that he can actually take a timely, uninterrupted meal period. Moreover, any such "on duty" meal period agreement did not allow for our client to revoke such an agreement even if it was signed. As such, our client and others did not always receive statutory, timely meal periods during their employment. To the extent that JNE argues that employees receive meal break premium pay for missed meal periods, that argument is inconsequential for PAGA penalty purposes since the PAGA penalties are for the violations themselves, irrespective of whether an employee received the premium payment for a missed, short, or interrupted meal period. In *Kirby v. Immoos Fire Protection, Inc.*, the Court stated, "section 226.7 does not give employers a lawful choice between providing *either* meal and rest breaks *or* an additional hour of pay." See *Kirby v. Immoos Fire Protection, Inc.*, (2012) 53 Cal.4th 1244, 1256 (emphasis in original). Thus, the extra hour of pay does not excuse the violation; the employer has still committed a violation even if the remedy for the violation has been paid. See *Wert v. U.S. Bancorp.*, (S.D. Cal. Mar. 22, 2016, 2016 WL 1110302 at *4). As such, the work environment and culture at JNE was not conducive to receiving consistent, timely, statutory meal breaks under California law. Moreover, any meal or rest break premiums paid were not compensated at the weighted average regular rate, inclusive of bonuses and/or incentive payments as well as overtime compensation.

Furthermore, during the relevant time period, and due to the above labor code violations, JNE failed to pay our client and other similarly situated aggrieved employees all wages due to them



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within any time period specified by California Labor Code section 204. JNE was also in violation of California Labor Code section 226(a) by failing to include pertinent information on the wage statements, including but not limited to, the correct hourly rate, all hours worked, overtime hours worked, correct overtime pay, gross wages earned, net wages earned, premium pay for missed meal and rest breaks, all deductions, the correct start and end of the pay period, all employee identifying information, the correct and complete name and address of the legal employer, and reimbursement for business expenses, among others. As such, JNE did not provide our client and other similarly situated aggrieved employees with complete, accurate itemized wage statements.

During the relevant time period, JNE also failed to keep accurate and complete payroll records showing the actual hours worked per day and the wages paid to Mr. Perez and others pursuant to California Labor Code sections 1174(d).

JNE also violated Labor Code § 203 because it willfully failed to pay our client and other similarly situated aggrieved employees earned and due wages upon separation of employment, either immediately upon involuntary termination, or within 72 hours of resignation. These earned but unpaid wages include compensation for all hours worked, including minimum wages, overtime compensation, and premium pay for missed meal and rest breaks.

During the relevant time period, Mr. Perez and other aggrieved employees incurred necessary, business-related expenses and costs that were not reimbursed by JNE. These costs include, but are not limited to, uniforms, use of personal cell phones for work purposes and use of personal hand tools for work purposes. Accordingly, JNE was in violation of California Labor Code sections 2800 and 2802.

Moreover, JNE failed to provide sick pay pursuant to Labor Code section 246 and also failed to provide Worker's Compensation coverage for our client and other aggrieved employees in violation of Labor Code Section 3700.5.

Furthermore, we believe your companies have also violated Labor Code Section 558 and has engaged in business practices which violate Business and Professions Code Section 17200.

Furthermore, Mr. Perez would have individual claims against JNE for wrongful termination and retaliation/discrimination in violation of the Fair Employment and Housing Act (FEHA) in that Mr. Perez was terminated in September 2023 after informing his employer about a work injury and providing a restrictions letter from a physician. While JNE cited performance issues, that was simply pretextual.

Each of the aforementioned violations, except the violations for inaccurate pay statements under Labor Code section 226(a), is among the enumerated serious violations set forth in Labor Code § 2699.5, for which there is no statutory right to cure.

Please take notice that, based upon the above-mentioned violations, and in addition to the penalties provided by those specific sections themselves, Mr. Perez also intends to seek penalties under the following Labor Code sections which themselves are inviolable but provide



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for recovery of penalties for violating one or more of the above-mentioned Labor Code sections:
Labor Code §§ 558, 226.3, 1197.1.

Should your agency choose not to pursue this matter, this law office intends to vigorously prosecute the aforementioned Labor Code violations on its behalf and vindicate the rights of all employees who have been subjected to these same Labor Code violations by JNE.

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

Very Truly Yours,


Harout Messrelian, Esq.

EXHIBIT 3

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[additional counsel on following page]

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA**

DIANE DE LA CRUZ and SIMON PEREZ
FLORES, individually, on behalf of all others
similarly situated, and on behalf of the State of
California and other aggrieved persons; and
SANTOS ANDRADE NAZARIO, individually,
and on behalf of all others similarly situated;

Plaintiffs,

v.

JAMES NICHOLSON ENTERPRISES dba
DINSMORE LANDSCAPE COMPANY, a
California corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No.: 23CV421709

**~~SECOND FIRST~~ AMENDED CLASS &
REPRESENTATIVE ACTION
COMPLAINT:**

1. Failure to Pay Minimum and Straight Time Wages (Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197);
2. Failure to Pay Overtime Wages (Cal. Lab. Code §§ 1194 and 1198);
3. Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7, 512);
4. Failure to Authorize and Permit Rest Periods (Cal. Lab. Code §§ 226.7);
5. Failure to Timely Pay Final Wages at Termination (Cal. Lab. Code §§ 201-203);
6. Failure to Provide Accurate Itemized Wage Statements (Cal. Lab. Code § 226);
7. Failure to Indemnify Employees for Expenditures (Cal. Lab. Code § 2802);
8. Unfair Business Practices (Cal. Bus. & Prof. Code §§ 17200, *et seq.*); and
9. Civil Penalties Under PAGA (Cal. Lab. Code § 2699, *et seq.*).

DEMAND FOR JURY TRIAL

~~FIRST~~SECOND AMENDED CLASS & REPRESENTATIVE ACTION COMPLAINT

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Plaintiffs DIANE DE LA CRUZ, SIMON PEREZ FLORES, and SANTOS ANDRADE NAZARIO (~~collectively, the~~ “Plaintiffs”), based upon facts that either have evidentiary support or are likely to have evidentiary support after a reasonable opportunity for further investigation and discovery, alleges as follows:

INTRODUCTION & PRELIMINARY STATEMENT

1. Plaintiff s brings this action against Defendant JAMES NICHOLSON ENTERPRISES dba DINSMORE LANDSCAPE COMPANY and DOES 1 through 10 (hereinafter collectively referred to as “Defendants”) for California Labor Code violations and unfair business practices stemming from Defendants’ failure to pay for all hours worked (minimum, straight time, and overtime wages), failure to provide meal periods, failure to authorize and permit rest periods, failure to timely pay final wages, failure to furnish accurate wage statements, and failure to indemnify employees for expenditures.

2. Plaintiff s brings the First through Eighth Causes of Action individually and as a class action on behalf of ~~herself~~ themselves and certain current and former employees of Defendants (hereinafter collectively referred to as the “Class” or “Class Members,” and defined more fully below). The Class consists of Plaintiff s and all other persons who have been employed by any Defendant in California as an hourly-paid or non-exempt employee during the statute of limitations period applicable to the claims pleaded here.

3. Plaintiff CRUZ and FLORES brings the Ninth Cause of Action as a representative action under the California Private Attorneys General Act (“PAGA”) to recover civil penalties that are owed to ~~her~~ them, the State of California, and past and present non-exempt employees employed by Defendants in the State of California during the statute of limitations period for ~~her~~ their PAGA claim (hereinafter referred to as the “Aggrieved Employees”).

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

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1 5. Despite these requirements, throughout the statutory period, Defendants
2 maintained a systematic, company-wide policy and practice of:

- 3 (a) Failing to pay employees for all hours worked, including all minimum,
4 straight time, and overtime wages in compliance with the California Labor
5 Code and IWC Wage Orders;
6 (b) Failing to provide employees with timely and duty-free meal periods in
7 compliance with the California Labor Code and IWC Wage Orders, failing
8 to maintain accurate records of all meal periods taken or missed, and
9 failing to pay an additional hour's pay for each workday a meal period
10 violation occurred;
11 (c) Failing to authorize and permit employees to take timely and duty-free rest
12 periods in compliance with the California Labor Code and IWC Wage
13 Orders, and failing to pay an additional hour's pay for each workday a rest
14 period violation occurred;
15 (d) Willfully failing to pay employees all minimum, straight time, overtime,
16 meal period premium, and rest period premium wages due within the time
17 period specified by California law when employment terminates;
18 (e) Failing to provide employees with accurate, itemized wage statements
19 containing all the information required by the California Labor Code and
20 IWC Wage Orders; and
21 (f) Failing to indemnify employees for expenditures incurred in direct
22 discharge of duties of employment.

23 6. On information and belief, Defendants, and each of them were on actual and
24 constructive notice of the improprieties alleged herein and intentionally refused to rectify their
25 unlawful policies. Defendants' violations, as alleged above, during all relevant times herein were
26 willful and deliberate.

27 7. At all relevant times, Defendants were and are legally responsible for all of the
unlawful conduct, policies, practices, acts and omissions as described in each and all of the

foregoing paragraphs as the employer of Plaintiff~~s~~, the Class, and the Aggrieved Employees. Further, Defendants are responsible for each of the unlawful acts or omissions complained of herein under the doctrine of “respondeat superior.”

THE PARTIES

A. Plaintiffs

8. Plaintiff DIANE DE LA CRUZ is a resident of Santa Clara County, California who worked for Defendants in Santa Clara County, California as an hourly-paid, non-exempt employee from approximately September 2022 to approximately June 2023.

9. Plaintiff SIMON PEREZ FLORES is a resident of Santa Clara County, California who worked for Defendants in Santa Clara County, California as an hourly-paid, non-exempt employee in 2023. Plaintiff FLORES’ employment ended on or around September 2023.

8-10. Plaintiff SANTOS ANDRADE NAZARIO is a California resident who worked for Defendants in Santa Clara County, California as an hourly-paid, non-exempt employee from approximately 2018 to approximately December 2024.

9-11. Plaintiff~~s~~ reserves the right to seek leave to amend this complaint to add new Plaintiffs, if necessary, in order to establish suitable representative(s) pursuant to *La Sala v. American Savings and Loan Association* (1971) 5 Cal.3d 864, 872, and other applicable law.

B. Defendants

10-12. Plaintiff~~s~~ ~~are~~~~s~~ informed and believe~~s~~, and based upon that information and belief alleges, that Defendant JAMES NICHOLSON ENTERPRISES dba DINSMORE LANDSCAPE COMPANY is, and at all times herein mentioned, was:

- (a) A California corporation qualified to do business and actually conducting business in numerous counties throughout the State of California, including in Santa Clara County; and,
- (b) The former employer of Plaintiff~~s~~ and the current and/or former employer of the putative Class and Aggrieved Employees because Defendant JAMES NICHOLSON ENTERPRISES dba DINSMORE LANDSCAPE COMPANY suffered and permitted ~~Plaintiff, the Class~~ Plaintiff~~s~~, the Class.

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and the Aggrieved Employees to work, and/or controlled their wages, hours, or working conditions.

~~11-13.~~ 13. Plaintiff~~s~~ ~~does~~ not know the true names or capacities of the persons or entities sued herein as Does 1-10, inclusive, and therefore sue~~s~~ said Defendants by such fictitious names. Each of the Doe Defendants was in some manner legally responsible for the damages suffered by Plaintiff~~, the Class~~ Plaintiffs, the Class, and the Aggrieved Employees as alleged herein. Plaintiff~~s~~ will amend this complaint to set forth the true names and capacities of these Defendants when they have been ascertained, together with appropriate charging allegations, as may be necessary.

~~12-14.~~ 14. At all times mentioned herein, the Defendants named as Does 1-10, inclusive, and each of them, were residents of, doing business in, availed themselves of the jurisdiction of, and/or injured a significant number of the Plaintiff~~, the Class~~ Plaintiffs, the Class, and the Aggrieved Employees in the State of California.

~~13-15.~~ 15. Plaintiff~~s~~ ~~are~~ informed and believe~~s~~ and thereon allege~~s~~ that at all relevant times each Defendant, directly or indirectly, or through agents or other persons, employed Plaintiff~~s~~ and the other employees described in the class definitions below, and exercised control over their wages, hours, and working conditions. Plaintiff~~s~~ ~~are~~ informed and believe~~s~~ and thereon allege~~s~~ that, at all relevant times, each Defendant was the principal, agent, partner, joint venturer, officer, director, controlling shareholder, subsidiary, affiliate, parent corporation, successor in interest and/or predecessor in interest of some or all of the other Defendants, and was engaged with some or all of the other Defendants in a joint enterprise for profit, and bore such other relationships to some or all of the other Defendants so as to be liable for their conduct with respect to the matters alleged below. Plaintiff~~s~~ ~~are~~ informed and believe~~s~~ and thereon allege~~s~~ that each Defendant acted pursuant to and within the scope of the relationships alleged above, that each Defendant knew or should have known about, and authorized, ratified, adopted, approved, controlled, aided and abetted the conduct of all other Defendants.

ALLEGATIONS COMMON TO ALL CAUSES OF ACTION

~~14.~~ Plaintiff~~s~~ worked for Defendants in Santa Clara County, California as ~~an~~ hourly-

1 paid, non-exempt employees ~~from approximately September 2022 to approximately June 2023.~~

2 During Plaintiffs' employment for Defendants, Defendants paid Plaintiffs an hourly wage and
3 classified ~~her-them~~ as non-exempt from overtime. Defendants typically scheduled Plaintiffs to
4 work at least five days in a workweek and at least eight hours per day, but Plaintiffs regularly
5 worked more than eight hours in a workday and/or more than forty (40) hours in a workweek.

6 ~~____~~ ~~///~~

7 ~~____~~ ~~///~~

8 ~~16.~~ ~~///~~

9 ~~15-17.~~ Throughout Plaintiffs' employment, Defendants failed to pay for all hours
10 worked (including minimum, straight time, and overtime wages), failed to provide Plaintiffs with
11 legally compliant meal periods, failed to authorize and permit Plaintiffs to take rest periods,
12 failed to timely pay all final wages to Plaintiffs when Defendants terminated ~~her-their~~
13 employment, failed to furnish accurate wage statements to Plaintiffs, and failed to indemnify
14 Plaintiffs for expenditures. As discussed below, Plaintiffs' experience working for Defendants
15 was typical and illustrative.

16 ~~16-18.~~ Throughout the statutory period, Defendants maintained a policy and practice of
17 not paying ~~Plaintiff, the Class~~ Plaintiffs, the Class, and the Aggrieved Employees for all hours
18 worked, including minimum, straight time, and overtime wages. Defendants regularly used a
19 system of time rounding and/or synthetic timekeeping that resulted, over a period of time, in
20 failing to compensate ~~Plaintiff, the Class~~ Plaintiffs, the Class, and the Aggrieved Employees
21 properly for all the time they have actually worked, even though the realities of Defendants'
22 operations are such that it is possible, practical, and feasible to count and pay for work time to
23 the minute. Accordingly, Defendants frequently paid ~~Plaintiff, the Class~~ Plaintiffs, the Class, and
24 the Aggrieved Employees less than all their work time. Some of this unpaid work also should
25 have been paid at the overtime rate. In failing to pay for all hours worked, Defendants also failed
26 to maintain accurate records of the hours ~~Plaintiff, the Class~~ Plaintiffs, the Class, and the
27 Aggrieved Employees worked.

~~17-19.~~ Throughout the statutory period, Defendants maintained a policy and practice of

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1 not paying ~~Plaintiff, the Class~~Plaintiffs, the Class, and the Aggrieved Employees for all hours
2 worked, including minimum, straight time, and overtime wages. Defendants required ~~Plaintiff,~~
3 ~~the Class~~Plaintiffs, the Class, and the Aggrieved Employees to work “off-the-clock,”
4 uncompensated, by, for example, requiring ~~Plaintiff, the Class~~Plaintiffs, the Class, and the
5 Aggrieved Employees to perform work during unpaid meal periods. Some of this unpaid work
6 should have been paid at the overtime rate. In failing to pay for all hours worked, Defendants
7 also failed to maintain accurate records of the hours ~~Plaintiff, the Class~~Plaintiffs, the Class, and
8 the Aggrieved Employees worked.

9 18-20. Throughout the statutory period, Defendants wrongfully failed to provide ~~Plaintiff,~~
10 ~~the Class~~Plaintiffs, the Class, and the Aggrieved Employees with legally compliant meal periods.
11 Defendants regularly, but not always, required ~~Plaintiff, the Class~~Plaintiffs, the Class, and the
12 Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-
13 minute, uninterrupted, and duty-free meal period for every five hours of work, or without
14 compensating ~~Plaintiff, the Class~~Plaintiffs, the Class, and the Aggrieved Employees for meal
15 periods that were not provided by the end of the fifth hour of work or tenth hour of work.
16 Instead, Defendants continued to assert control over ~~Plaintiff, the Class~~Plaintiffs, the Class, and
17 the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks
18 which could not be completed without working in lieu of taking mandatory meal periods, or by
19 denying ~~Plaintiff, the Class~~Plaintiffs, the Class, and the Aggrieved Employees permission to take
20 a meal period. Accordingly, Defendants’ policy and practice was not to provide meal periods to
21 ~~Plaintiff, the Class~~Plaintiffs, the Class, and the Aggrieved Employees in compliance with
22 California law.

23 19-21. Throughout the statutory period, Defendants have wrongfully failed to authorize
24 and permit ~~Plaintiff, the Class~~Plaintiffs, the Class, and the Aggrieved Employees to take legally
25 compliant rest periods. Defendants regularly required ~~Plaintiff, the Class~~Plaintiffs, the Class, and
26 the Aggrieved Employees to work in excess of four consecutive hours a day without Defendants
27 authorizing and permitting them to take a 10-minute, uninterrupted, duty-free rest period for
every four hours of work (or major fraction of four hours), or without compensating ~~Plaintiff, the~~

1 ~~Class~~Plaintiffs, the Class, and the Aggrieved Employees for rest periods that were not authorized
2 or permitted. Instead, Defendants continued to assert control over ~~Plaintiff, the Class~~Plaintiffs,
3 ~~the Class~~, and the Aggrieved Employees by requiring, pressuring, or encouraging them to
4 perform work tasks which could not be completed without working in lieu of taking mandatory
5 rest periods, or by denying ~~Plaintiff, the Class~~Plaintiffs, the Class, and the Aggrieved Employees
6 permission to take a rest period. Accordingly, Defendants' policy and practice was to not
7 authorize and permit ~~Plaintiff, the Class~~Plaintiffs, the Class, and the Aggrieved Employees to
8 take rest periods in compliance with California law.

9 20-22. Throughout the statutory period, Defendants willfully failed and refused to timely
10 pay ~~Plaintiff, the Class~~Plaintiffs, the Class, and the Aggrieved Employees all final wages due at
11 their termination of employment. In addition, Plaintiff-s' final paychecks did not include
12 payment for all expenditures, minimum wages, straight time wages, overtime wages, meal period
13 premium wages, and rest period premium wages owed to ~~her~~them by Defendants at the
14 conclusion of ~~her~~their employment. On information and belief, Defendants' failure to timely
15 pay Plaintiff-s' final wages when ~~her~~their employment terminated was not a single, isolated
16 incident, but was instead consistent with Defendants' policy and practice that applied to ~~Plaintiff,~~
17 ~~the Class~~Plaintiffs, the Class, and the Aggrieved Employees.

18 21-23. Throughout the statutory period, Defendants failed to furnish ~~Plaintiff, the~~
19 ~~Class~~Plaintiffs, the Class, and the Aggrieved Employees with accurate, itemized wage statements
20 showing all applicable hourly rates, all overtime hourly rates, and all gross and net wages earned
21 (including correct hours worked, correct wages for meal periods that were not provided in
22 accordance with California law, and correct wages for rest periods that were not authorized and
23 permitted to take in accordance with California law). As a result of these violations of California
24 Labor Code § 226(a), the ~~Plaintiff, the Class~~Plaintiffs, the Class, and the Aggrieved Employees
25 suffered injury because, among other things:

- 26 (a) the violations led them to believe that they were not entitled to be paid
27 minimum, straight time, overtime, meal period premium, and rest period
premium wages, even though they were entitled;

- (b) the violations led them to believe that they had been paid the minimum, straight time, overtime, meal period premium, and rest period premium wages, even though they had not been;
- (c) the violations led them to believe they were not entitled to be paid minimum, straight time, overtime, meal period premium, and rest period premium wages at the correct California rate even though they were entitled;
- (d) the violations led them to believe they had been paid minimum, straight time, overtime, meal period premium, and rest period premium wages at the correct California rate even though they had not been;
- (e) the violations hindered them from determining the amounts of minimum, straight time, overtime, meal period premium, and rest period premium wages owed to them;
- (f) in connection with their employment before and during this action, and in connection with prosecuting this action, the violations caused them to have to perform mathematical computations to determine the amounts of wages owed to them, computations they would not have to make if the wage statements contained the required accurate information;
- (g) by understating the wages truly due to them, the violations caused them to lose entitlement and/or accrual of the full amount of Social Security, disability, unemployment, and other governmental benefits;
- (h) the wage statements inaccurately understated the wages, hours, and wage rates to which ~~Plaintiff, the Class~~ Plaintiffs, the Class, and the Aggrieved Employees were entitled, and ~~Plaintiff, the Class~~ Plaintiffs, the Class, and the Aggrieved Employees were paid less than the wages and wage rates to which they were entitled.

Thus, ~~Plaintiff, the Class~~ Plaintiffs, the Class, and the Aggrieved Employees are owed the amounts provided for in California Labor Code § 226(e) and injunctive relief under California Labor Code § 226(h).

1 22-24. Throughout the statutory period, Defendants have wrongfully required ~~Plaintiff,~~
2 ~~the Class~~Plaintiffs, the Class, and the Aggrieved Employees to pay expenses that they incurred in
3 direct discharge of their duties for Defendants. ~~Plaintiff, the Class~~Plaintiffs, the Class, and the
4 Aggrieved Employees regularly paid out-of-pocket for necessary employment-related expenses,
5 including, without limitation, work-related equipment and use of personal cell phones.

6 23-25. ~~Plaintiff, the Class~~Plaintiffs, the Class, and the Aggrieved Employees incurred
7 substantial expenses as a direct result of performing their job duties for Defendants, but
8 Defendants failed to indemnify ~~Plaintiff, the Class~~Plaintiffs, the Class, and the Aggrieved
9 Employees for these employment-related expenses.

10 CLASS ACTION ALLEGATIONS

11 24-26. Plaintiff~~s~~ brings certain claims individually, as well as on behalf of each and all
12 other persons similarly situated, and thus, seek~~s~~ class certification under California Code of
13 Civil Procedure § 382.

14 25-27. All claims alleged herein arise under California law for which Plaintiff~~s~~ seek~~s~~
15 relief authorized by California law.

16 26-28. The proposed Class consists of and is defined as:

17 All persons who worked for any Defendant in California as an hourly-paid or
18 non-exempt employee at any time during the period beginning four years and 178
days before the filing of the initial complaint in this action and ending when
notice to the Class is sent.¹

19 27-29. At all material times, Plaintiff~~s~~ were each~~s~~ a member~~s~~ of the Class.

20 28-30. Plaintiff~~s~~ undertook this concerted activity to improve the wages and working
21 conditions of all Class Members.

22 29-31. There is a well-defined community of interest in the litigation and the Class is
23 readily ascertainable:

- 24 (a) Numerosity: The members of the Class (and each subclass, if any) are so
25 numerous that joinder of all members would be unfeasible and impractical.

26 ¹ In response to the COVID-19 pandemic, the Judicial Council of California adopted Emergency Rule 9(a)
27 (California Rules of Court), whereby "statutes of limitations and repose for civil causes of action that exceed
180 days are tolled from April 6, 2020 to October 1, 2020."

The membership of the entire Class is unknown to Plaintiff~~s~~ at this time; however, the Class is estimated to be greater than forty (40) individuals and the identity of such membership is readily ascertainable by inspection of Defendants' records.

- (b) Typicality: Plaintiff~~s~~~~is~~are qualified to, and will, fairly and adequately protect the interests of each Class Member with whom there is a shared, well-defined community of interest, and Plaintiff~~s~~~~'~~s' claims (or defenses, if any) are typical of all Class Members' claims as demonstrated herein.
- (c) Adequacy: Plaintiff~~s~~ ~~is~~are qualified to, and will, fairly and adequately protect the interests of each Class Member with whom there is a shared, well-defined community of interest and typicality of claims, as demonstrated herein. Plaintiff~~s~~ ha~~s~~ve no conflicts with or interests antagonistic to any Class Member. Plaintiff~~s~~~~'~~s' attorneys, the proposed class counsel, are versed in the rules governing class action discovery, certification, and settlement. Plaintiff~~s~~ ha~~ve~~s incurred, and throughout the duration of this action, will continue to incur costs and attorneys' fees that have been, are, and will be necessarily expended for the prosecution of this action for the substantial benefit of each class member.
- (d) Superiority: A Class Action is superior to other available methods for the fair and efficient adjudication of the controversy, including consideration of:
- 1) The interests of the members of the Class in individually controlling the prosecution or defense of separate actions;
 - 2) The extent and nature of any litigation concerning the controversy already commenced by or against members of the Class;
 - 3) The desirability or undesirability of concentrating the litigation of the claims in the particular forum; and,
 - 4) The difficulties likely to be encountered in the management of a

class action.

- (e) Public Policy Considerations: The public policy of the State of California is to resolve the California Labor Code claims of many employees through a class action. Indeed, current employees are often afraid to assert their rights out of fear of direct or indirect retaliation. Former employees are also fearful of bringing actions because they believe their former employers might damage their future endeavors through negative references and/or other means. Class actions provide the class members who are not named in the complaint with a type of anonymity that allows for the vindication of their rights at the same time as their privacy is protected.

30-32. There are common questions of law and fact as to the Class (and each subclass, if any) that predominate over questions affecting only individual members, including without limitation, whether, as alleged herein, Defendants have:

- (a) Failed to pay Class Members for all hours worked, including minimum, straight time, and overtime wages;
- (b) Failed to provide meal periods and pay meal period premium wages to Class Members;
- (c) Failed to authorize and permit rest periods and pay rest period premium wages to Class Members;
- (d) Failed to provide Class Members with timely final wages;
- (e) Failed to provide Class Members with accurate wage statements;
- (f) Failed to indemnify Class Members for expenditures; and,
- (g) Violated California Business & Professions Code §§ 17200 *et. seq.* as a result of their illegal conduct as described above.

31-33. This Court should permit this action to be maintained as a class action pursuant to California Code of Civil Procedure § 382 because:

- (a) The questions of law and fact common to the Class predominate over any

question affecting only individual members;

- (b) A class action is superior to any other available method for the fair and efficient adjudication of the claims of the members of the Class;
- (c) The members of the Class are so numerous that it is impractical to bring all members of the class before the Court;
- (d) Plaintiff~~s~~, and the other members of the Class, will not be able to obtain effective and economic legal redress unless the action is maintained as a class action;
- (e) There is a community of interest in obtaining appropriate legal and equitable relief for the statutory violations, and in obtaining adequate compensation for the damages and injuries for which Defendants are responsible in an amount sufficient to adequately compensate the members of the Class for the injuries sustained;
- (f) Without class certification, the prosecution of separate actions by individual members of the class would create a risk of:
 - 1) Inconsistent or varying adjudications with respect to individual members of the Class which would establish incompatible standards of conduct for Defendants; and/or,
 - 2) Adjudications with respect to the individual members which would, as a practical matter, be dispositive of the interests of other members not parties to the adjudications, or would substantially impair or impede their ability to protect their interests, including but not limited to the potential for exhausting the funds available from those parties who are, or may be, responsible Defendants; and,
- (g) Defendants have acted or refused to act on grounds generally applicable to the Class, thereby making final injunctive relief appropriate with respect to the class as a whole.

~~32-34.~~ Plaintiff~~s~~ contemplates the eventual issuance of notice to the proposed members of

the Class that would set forth the subject and nature of the instant action. The Defendants' own business records may be utilized for assistance in the preparation and issuance of the contemplated notices. To the extent that any further notices may be required, Plaintiffs contemplates the use of additional techniques and forms commonly used in class actions, such as published notice, e-mail notice, website notice, first-class mail, or combinations thereof, or by other methods suitable to the Class and deemed necessary and/or appropriate by the Court.

FIRST CAUSE OF ACTION

(Against All Defendants for Failure to Pay Minimum and Straight Time Wages for All Hours Worked)

~~33-35.~~ Plaintiff incorporates by reference and re-alleges as if fully stated herein paragraphs 1 through 23 in this Complaint. Plaintiffs incorporate by reference and re-allege as if fully stated herein paragraphs 1 through 25 in this Complaint.

~~34-36.~~ "Hours worked" is the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

~~35-37.~~ At all relevant times herein mentioned, Defendants knowingly failed to pay to Plaintiff and the Class Plaintiffs and the Class compensation for all hours they worked. By their failure to pay compensation for each hour worked as alleged above, Defendants willfully violated the provisions of California Labor Code § 1194, and any additional applicable Wage Orders, which require such compensation to non-exempt employees.

~~36-38.~~ Accordingly, Plaintiff and the Class Plaintiffs and the Class are entitled to recover minimum and straight time wages for all non-overtime hours worked for Defendants.

~~37-39.~~ By and through the conduct described above, Plaintiff and the Class Plaintiffs and the Class have been deprived of their rights to be paid wages earned by virtue of their employment with Defendants.

~~38-40.~~ By virtue of the Defendants' unlawful failure to pay additional compensation to Plaintiff and the Class Plaintiffs and the Class for their non-overtime hours worked without pay, Plaintiff and the Class Plaintiffs and the Class suffered, and will continue to suffer, damages in

1 amounts which are presently unknown to ~~Plaintiff and the Class~~ Plaintiffs and the Class and
2 which will be ascertained according to proof at trial.

3 ~~39-41.~~ By failing to keep adequate time records required by California Labor Code §
4 1174(d), Defendants have made it difficult to calculate the full extent of minimum wage
5 compensation due ~~Plaintiff and the Class~~ Plaintiffs and the Class.

6 ~~40-42.~~ Pursuant to California Labor Code § 1194.2, ~~Plaintiff and the Class~~ Plaintiffs and
7 the Class are entitled to recover liquidated damages (double damages) for Defendants' failure to
8 pay minimum wages.

9 ~~41-43.~~ California Labor Code § 204 requires employers to provide employees with all
10 wages due and payable twice a month. Throughout the statute of limitations period applicable to
11 this cause of action, ~~Plaintiff and the Class~~ Plaintiffs and the Class were entitled to be paid twice a
12 month at rates required by law, including minimum and straight time wages. However, during all
13 such times, Defendants systematically failed and refused to pay ~~Plaintiff and the Class~~ Plaintiffs
14 and the Class all such wages due and failed to pay those wages twice a month.

15 ~~42-44.~~ ~~Plaintiff and the Class~~ Plaintiffs and the Class are also entitled to seek recovery of
16 all unpaid minimum and straight time wages, interest, and reasonable attorneys' fees and costs
17 pursuant to California Labor Code §§ 218.5, 218.6, and 1194(a).

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21 **SECOND CAUSE OF ACTION**

22 **(Against All Defendants for Failure to Pay Overtime Wages)**

23 ~~43-45.~~ ~~Plaintiff incorporates by reference and re-alleges as if fully stated herein~~
24 ~~paragraphs 1 through 23 in this Complaint~~ Plaintiffs incorporate by reference and re-allege as if
25 fully stated herein paragraphs 1 through 25 in this Complaint.

26 ~~44-46.~~ California Labor Code § 510 provides that employees in California shall not be
27 employed more than eight hours in any workday or forty (40) hours in a workweek unless they
receive additional compensation beyond their regular wages in amounts specified by law.

1 45-47. California Labor Code §§ 1194 and 1198 provide that employees in California
2 shall not be employed more than eight hours in any workday unless they receive additional
3 compensation beyond their regular wages in amounts specified by law. Additionally, California
4 Labor Code § 1198 states that the employment of an employee for longer hours than those fixed
5 by the IWC is unlawful.

6 46-48. At all times relevant hereto, ~~Plaintiff and the Class~~ Plaintiffs and the Class have
7 worked more than eight hours in a workday and/or more than forty (40) hours in a workweek, as
8 employees of Defendants.

9 47-49. At all times relevant hereto, Defendants failed to pay ~~Plaintiff and the~~
10 ~~Class~~ Plaintiffs and the Class overtime compensation for the hours they have worked in excess of
11 the maximum hours permissible by law as required by California Labor Code §§ 510 and 1198.

12 48-50. By virtue of Defendants' unlawful failure to pay additional premium rate
13 compensation to the ~~Plaintiff and the Class~~ Plaintiffs and the Class for their overtime hours
14 worked, ~~Plaintiff and the Class~~ Plaintiffs and the Class have suffered, and will continue to suffer,
15 damages in amounts which are presently unknown to them but which exceed the jurisdictional
16 minimum of this Court and which will be ascertained according to proof at trial.

17 49-51. By failing to keep adequate time records required by Labor Code § 1174(d),
18 Defendants have made it difficult to calculate the full extent of overtime compensation due to
19 ~~Plaintiff and the Class~~ Plaintiffs and the Class.

20 50-52. ~~Plaintiff and the Class~~ Plaintiffs and the Class also request recovery of overtime
21 compensation according to proof, interest, attorneys' fees and costs pursuant to California Labor
22 Code § 1194(a), as well as the assessment of any statutory penalties against Defendants, in a sum
23 as provided by the California Labor Code and/or other statutes.

24 51-53. California Labor Code § 204 requires employers to provide employees with all
25 wages due and payable twice a month. The Wage Orders also provide that every employer shall
26 pay to each employee, on the established payday for the period involved, overtime wages for all
27 overtime hours worked in the payroll period. Defendants failed to provide ~~Plaintiff and the~~
~~Class~~ Plaintiffs and the Class with all compensation due, in violation of California Labor Code §

204.

THIRD CAUSE OF ACTION

(Against All Defendants for Failure to Provide Meal Periods)

~~52-54. Plaintiff incorporates by reference and re-alleges as if fully stated herein paragraphs 1 through 23 in this Complaint.~~
Plaintiffs incorporate by reference and re-allege as if fully stated herein paragraphs 1 through 25 in this Complaint.

~~53-55.~~ Under California law, Defendants have an affirmative obligation to relieve the Plaintiff and the Class of all duty in order to take their first daily meal periods no later than the start of Plaintiff's and the Class' sixth hour of work in a workday, and to take their second meal periods no later than the start of the eleventh hour of work in the workday. California Labor Code § 512, and Section 11 of the applicable Wage Orders require that an employer provide unpaid meal periods of at least thirty (30) minutes for each five-hour period worked. It is a violation of California Labor Code § 226.7 for an employer to require any employee to work during any meal period mandated under any Wage Order.

~~54-56.~~ Despite these legal requirements, Defendants regularly failed to provide Plaintiff and the Class with both meal periods as required by California law. By their failure to permit and authorize Plaintiff and the Class to take all meal periods as alleged above (or due to the fact that Defendants made it impossible or impracticable to take these uninterrupted meal periods), Defendants willfully violated the provisions of California Labor Code § 226.7 and the applicable Wage Orders.

~~55-57.~~ Under California law, Plaintiff and the Class are entitled to be paid one hour of additional wages for each workday he or she was not provided with all required meal period(s), plus interest thereon.

FOURTH CAUSE OF ACTION

(Against All Defendants for Failure to Authorize and Permit Rest Periods)

~~56-58. Plaintiff incorporates by reference and re-alleges as if fully stated herein paragraphs 1 through 23 in this Complaint.~~
Plaintiffs incorporate by reference and re-allege as if fully stated herein paragraphs 1 through 25 in this Complaint.

1 ~~57-59.~~ Defendants are required by California law to authorize and permit breaks of ten
2 uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than
3 two hours). California Labor Code § 512, the applicable Wage Orders require that the employer
4 permit and authorize all employees to take paid rest periods of ten minutes each for each 4-hour
5 period worked. Thus, for example, if an employee's work time is six hours and ten minutes, the
6 employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is
7 itself a violation of California's rest break laws. It is a violation of California Labor Code §
8 226.7 for an employer to require any employee to work during any rest period mandated under
9 any Wage Order.

10 ~~58-60.~~ Despite these legal requirements, Defendants failed to authorize ~~Plaintiff and the~~
11 ~~Class~~Plaintiffs and the Class to take rest breaks, regardless of whether employees worked more
12 than four hours in a workday. By their failure to permit and authorize ~~Plaintiff and the~~
13 ~~Class~~Plaintiffs and the Class to take rest periods as alleged above (or due to the fact that
14 Defendants made it impossible or impracticable to take these uninterrupted rest periods),
15 Defendants willfully violated the provisions of California Labor Code § 226.7 and the applicable
16 Wage Orders.

17 ~~59-61.~~ Under California law, ~~Plaintiff and the Class~~Plaintiffs and the Class are entitled to
18 be paid one hour of premium wages rate for each workday he or she was not provided with all
19 required rest break(s), plus interest thereon.

20 **FIFTH CAUSE OF ACTION**

21 **(Against All Defendants for Failure to Pay Wages of Discharged Employees – Waiting Time**
22 **Penalties)**

23 ~~60-62.~~ ~~Plaintiff incorporates by reference and re-alleges as if fully stated herein~~
24 ~~paragraphs 1 through 23 in this Complaint~~Plaintiffs incorporate by reference and re-allege as if
25 fully stated herein paragraphs 1 through 25 in this Complaint.

26 ~~61-63.~~ At all times herein set forth, California Labor Code §§ 201 and 202 provide that if
27 an employer discharges an employee, the wages earned and unpaid at the time of discharge are
due and payable immediately, and that if an employee voluntarily leaves his or her employment,

1 his or her wages shall become due and payable not later than seventy-two (72) hours thereafter,
2 unless the employee has given seventy-two (72) hours previous notice of his or her intention to
3 quit, in which case the employee is entitled to his or her wages at the time of quitting.

4 ~~62-64.~~ Within the applicable statute of limitations, the employment of many other
5 members of the Class ended, i.e. was terminated by quitting or discharge, and the employment of
6 others will be. However, during the relevant time period, Defendants failed, and continue to fail
7 to pay terminated Class Members, without abatement, all wages required to be paid by California
8 Labor Code §§ 201 and 202 either at the time of discharge, or within seventy-two (72) hours of
9 their leaving Defendants' employ.

10 ~~63-65.~~ Defendants' failure to pay those Class members who are no longer employed by
11 Defendants their wages earned and unpaid at the time of discharge, or within seventy-two (72)
12 hours of their leaving Defendants' employ, is in violation of California Labor Code §§ 201 and
13 202.

14 ~~64-66.~~ California Labor Code § 203 provides that if an employer willfully fails to pay
15 wages owed, in accordance with §§ 201 and 202, then the wages of the employee shall continue
16 as a penalty wage from the due date, and at the same rate until paid or until an action is
17 commenced; but the wages shall not continue for more than thirty (30) days.

18 ~~65-67.~~ The Class is entitled to recover from Defendants their additionally accruing wages
19 for each day they were not paid, at their regular hourly rate of pay, up to thirty (30) days
20 maximum pursuant to California Labor Code § 203.

21 ~~66-68.~~ Pursuant to California Labor Code §§ 218.5, 218.6 and 1194, the Class is also
22 entitled to an award of reasonable attorneys' fees, interest, expenses, and costs incurred in this
23 action.

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27 **SIXTH CAUSE OF ACTION**

(Against All Defendants for Failure to Provide and Maintain Accurate and Compliant

Wage Records)

~~67-69. Plaintiff incorporates by reference and re-alleges as if fully stated herein paragraphs 1 through 23 in this Complaint~~
Plaintiffs incorporate by reference and re-allege as if fully stated herein paragraphs 1 through 25 in this Complaint.

~~68-70.~~ At all material times set forth herein, California Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

~~69-71.~~ Defendants have intentionally and willfully failed to provide employees with complete and accurate wage statements. The deficiencies include, among other things, the failure to correctly identify the gross wages earned by ~~Plaintiff and the Class~~ Plaintiffs and the ~~Class~~, the failure to list the true “total hours worked by the employee,” and the failure to list the true net wages earned.

~~70-72.~~ As a result of Defendants’ violation of California Labor Code § 226(a), ~~Plaintiff and the Class~~ Plaintiffs and the ~~Class~~ have suffered injury and damage to their statutorily protected rights.

~~71-73.~~ Specifically, Plaintiff~~s~~ and the members of the Class have been injured by Defendants’ intentional violation of California Labor Code § 226(a) because they were denied both their legal right to receive, and their protected interest in receiving, accurate, itemized wage statements under California Labor Code § 226(a).

~~72-74.~~ Calculation of the true wage entitlement for ~~Plaintiff and the Class~~ Plaintiffs and

1 ~~the Class~~ is difficult and time consuming. As a result of this unlawful burden, ~~Plaintiff and the~~
2 ~~Class~~ Plaintiffs and the Class were also injured as a result of having to bring this action to attempt
3 to obtain correct wage information following Defendants' refusal to comply with many of the
4 mandates of California's Labor Code and related laws and regulations.

5 ~~73-75. Plaintiff and the Class~~ Plaintiffs and the Class are entitled to recover from
6 Defendants the greater of their actual damages caused by Defendants' failure to comply with
7 California Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars
8 (\$4,000) per employee.

9 ~~74-76. Plaintiff and the Class~~ Plaintiffs and the Class are also entitled to injunctive relief,
10 as well as an award of attorney's fees and costs to ensure compliance with this section, pursuant
11 to California Labor Code § 226(h).

12 SEVENTH CAUSE OF ACTION

13 (Against All Defendants for Failure to Indemnify Employees for Expenditures)

14 ~~75-77. Plaintiff incorporates by reference and re-alleges as if fully stated herein~~
15 ~~paragraphs 1 through 23 in this Complaint~~ Plaintiffs incorporate by reference and re-allege as if
16 fully stated herein paragraphs 1 through 25 in this Complaint.

17 ~~76-78. As set forth above, Plaintiff and the Class~~ Plaintiffs and the Class were required to
18 incur substantial necessary expenditures and losses in direct consequence of the discharge of
19 their duties or of their obedience to directions of Defendants.

20 ~~77-79. Defendants violated California Labor Code § 2802, by failing to pay and~~
21 indemnify ~~Plaintiff and the Class~~ Plaintiffs and the Class for necessary expenditures and losses
22 incurred in direct consequence of the discharge of their duties or of their obedience to directions
23 of Defendants.

24 ~~78-80. As a result, Plaintiff and the Class~~ Plaintiffs and the Class were damaged at least in
25 the amounts of the expenses they paid, or which were deducted by Defendants from their wages.

26 ~~79-81. Plaintiff and the Class~~ Plaintiffs and the Class are entitled to reasonable attorney's
27 fees, expenses, and costs of suit pursuant to California Labor Code § 2802(c) and interest
pursuant to California Labor Code § 2802(b).

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EIGHTH CAUSE OF ACTION

**(Against All Defendants for Violation of California Business & Professions Code §§ 17200,
et seq.)**

~~80-82. Plaintiff incorporates by reference and re-alleges as if fully stated herein
paragraphs 1 through 23 in this Complaint.~~ Plaintiffs incorporate by reference and re-allege as if
fully stated herein paragraphs 1 through 25 in this Complaint.

~~81-83.~~ Defendants, and each of them, are “persons” as defined under California Business
& Professions Code § 17201.

~~82-84.~~ Defendants’ conduct, as alleged herein, has been, and continues to be, unfair,
unlawful, and harmful to Plaintiffs, other Class members, and to the general public. Plaintiffs
seek to enforce important rights affecting the public interest within the meaning of Code of Civil
Procedure § 1021.5.

~~83-85.~~ Defendants’ activities, as alleged herein, are violations of California law, and
constitute unlawful business acts and practices in violation of California Business & Professions
Code §§ 17200, *et seq.*

~~84-86.~~ A violation of California Business & Professions Code §§ 17200, *et seq.* may be
predicated on the violation of any state or federal law. All of the acts described herein as
violations of, among other things, the California Labor Code, are unlawful and in violation of
public policy; and in addition are immoral, unethical, oppressive, fraudulent and unscrupulous,
and thereby constitute unfair, unlawful and/or fraudulent business practices in violation of
California Business & Professions Code §§ 17200, *et seq.*

Failure to Pay Minimum and Straight Time Wages

~~85-87.~~ Defendants’ failure to pay minimum and straight time wages, and other benefits in
violation of the California Labor Code constitutes unlawful and/or unfair activity prohibited by

California Business & Professions Code §§ 17200, *et seq.*

Failure to Pay Overtime Wages

~~86-88.~~ Defendants' failure to pay overtime compensation and other benefits in violation of California Labor Code §§ 510, 1194, and 1198 constitutes unlawful and/or unfair activity prohibited by California Business & Professions Code §§ 17200, *et seq.*

Failure to Provide Meal Periods

~~87-89.~~ Defendants' failure to provide meal periods in accordance with California Labor Code §§ 226.7 and 512, and the IWC Wage Orders, as alleged above, constitutes unlawful and/or unfair activity prohibited by California Business & Professions Code §§ 17200, *et seq.*

Failure to Authorize and Permit Rest Periods

~~88-90.~~ Defendants' failure to authorize and permit rest periods in accordance with California Labor Code § 226.7 and the IWC Wage Orders, as alleged above, constitutes unlawful and/or unfair activity prohibited by Business and Professions Code §§ 17200, *et seq.*

Failure to Indemnify Business Expenses

~~89-91.~~ Defendants' failure to reimburse expenses incurred in accordance with California Labor Code § 2802, as alleged above, constitutes unlawful and/or unfair activity prohibited by California Business & Professions Code §§ 17200, *et seq.*

~~90-92.~~ By and through their unfair, unlawful and/or fraudulent business practices described herein, the Defendants, have obtained valuable property, money and services from Plaintiffs, and all persons similarly situated, and has deprived Plaintiffs, and all persons similarly situated, of valuable rights and benefits guaranteed by law, all to their detriment.

~~91-93.~~ ~~Plaintiff and the Class~~ Plaintiffs and the Class Members suffered monetary injury as a direct result of Defendants' wrongful conduct.

~~92-94.~~ Plaintiffs, individually, and on behalf of members of the putative Class, ~~is-are~~ entitled to, and ~~does~~, seek such relief as may be necessary to disgorge money and/or property which the Defendants have wrongfully acquired, or of which ~~Plaintiff and the Class~~ Plaintiffs and the Class have been deprived, by means of the above-described unfair, unlawful and/or fraudulent business practices. ~~Plaintiff and the Class~~ Plaintiffs and the Class are not obligated to

1 establish individual knowledge of the wrongful practices of Defendants in order to recover
2 restitution.

3 93-95. Plaintiff~~s~~, individually, and on behalf of members of the putative class, ~~is-are~~
4 further entitled to, and ~~does~~, seek a declaration that the above-described business practices are
5 unfair, unlawful and/or fraudulent, and injunctive relief restraining the Defendants, and each of
6 them, from engaging in any of the above-described unfair, unlawful and/or fraudulent business
7 practices in the future.

8 94-96. Plaintiff~~s~~, individually, and on behalf of members of the putative class, has~~ve~~ no
9 plain, speedy, and/or adequate remedy at law to redress the injuries which the Class Members
10 suffered as a consequence of the Defendants' unfair, unlawful and/or fraudulent business
11 practices. As a result of the unfair, unlawful and/or fraudulent business practices described
12 above, Plaintiff~~s~~, individually, and on behalf of members of the putative Class, has~~ve~~ suffered
13 and will continue to suffer irreparable harm unless the Defendants, and each of them, are
14 restrained from continuing to engage in said unfair, unlawful and/or fraudulent business
15 practices.

16 95-97. Plaintiff~~s~~ also alleges that if Defendants are not enjoined from the conduct set
17 forth herein above, they will continue to avoid paying the appropriate taxes, insurance and other
18 withholdings.

19 96-98. Pursuant to California Business & Professions Code §§ 17200, *et seq.*, Plaintiff~~s~~
20 and putative Class Members are entitled to restitution of the wages withheld and retained by
21 Defendants during a period that commences four years and 178 days prior to the filing of this
22 complaint; a permanent injunction requiring Defendants to pay all outstanding wages due to
23 Plaintiff~~s~~ and Class Members; an award of attorneys' fees pursuant to California Code of Civil
24 Procedure § 1021.5 and other applicable laws; and an award of costs.

NINTH CAUSE OF ACTION

25 **(By Plaintiffs CRUZ and FLORES Against All Defendants for Civil Penalties Under the**
26 **Private Attorneys General Act of 2004, Cal. Lab. Code § 2698, et seq.)**

27 97-99. Plaintiff incorporates by reference and re-alleges as if fully stated herein paragraphs

~~1 through 23 in this Complaint~~ Plaintiffs CRUZ and FLORES incorporate by reference and re-
allege as if fully stated herein paragraphs 1 through 25 in this Complaint.

~~98-100.~~ At all times herein mentioned, Defendants were subject to the Labor Code
of the State of California and the applicable Industrial Welfare Commission Orders.

~~99-101.~~ California Labor Code § 2699(a) specifically provides for a private right of
action to recover penalties for violations of the Labor Code: “Notwithstanding any other
provision of law, any provision of this code that provides for a civil penalty to be assessed and
collected by the Labor and Workforce Development Agency or any of its departments, divisions,
commissions, boards, agencies, or employees, for a violation of this code, may, as an alternative,
be recovered through a civil action brought by an aggrieved employee on behalf of himself or
herself and other current or former employees pursuant to the procedures specified in Section
2699.3.”

~~100-102.~~ Plaintiffs CRUZ and FLORES ~~has~~ve exhausted ~~her~~their administrative
remedies pursuant to California Labor Code § 2699.3. ~~She~~They gave written notice by online
filing to the Labor and Workforce Development Agency and by certified mail to Defendants of
the specific provisions of the Labor Code that Defendants have violated against Plaintiffs CRUZ
and FLOREZ and current and former aggrieved employees, including the facts and theories to
support the violations. Plaintiffs CRUZ and FLORES ~~also~~ paid the filing fee.

~~101-103.~~ The Labor and Workforce Development Agency has not indicated that it
intends to investigate Defendants’ Labor Code violations discussed in the notice. Accordingly,
Plaintiffs CRUZ and FLORES may commence a civil action to recover penalties under Labor
Code § 2699 pursuant to § 2699.3 for the violations of the Labor Code described in this
Complaint. These penalties include, but are not limited to, penalties under California Labor
Code §§ 210, 226.3, 1174.5, 1197.1, and 2699.

~~102-104.~~ Based on the conduct described in this Complaint, Plaintiffs CRUZ and
FLORES ~~are~~is entitled to an award of civil penalties on behalf of ~~herself~~themselves, the State of
California, and similarly Aggrieved Employees of Defendants. The exact amount of the

1 applicable penalties, in all, is in an amount to be shown according to proof at trial. These
2 penalties are in addition to all other remedies permitted by law.

3 403-105. In addition, Plaintiffs CRUZ and FLORES seek an award of reasonable
4 attorney's fees and costs pursuant to California Labor Code § 2699(g)(1), which states, "Any
5 employee who prevails in any action shall be entitled to an award of reasonable attorney's fees
6 and costs."

7 **PRAYER FOR RELIEF**

8 Plaintiffs, individually, and on behalf of all others similarly situated only with respect to
9 the class claims, prays for relief and judgment against Defendants, jointly and severally, as
10 follows:

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13 **Class Certification**

- 14 1. That this action be certified as a class action with respect to the First, Second,
15 Third, Fourth, Fifth, Sixth, Seventh, and Eighth Causes of Action;
16 2. That Plaintiffs be appointed as the representative of the Class; and,
17 3. That counsel for Plaintiffs be appointed as Class Counsel.

18 **As to the First Cause of Action**

- 19 4. That the Court declare, adjudge, and decree that Defendants violated California
20 Labor Code §§ 204 and 1194 and applicable IWC Wage Orders by willfully failing to pay all
21 minimum and straight time wages due;
22 5. For unpaid wages as may be appropriate;
23 6. For pre-judgment interest on any unpaid compensation commencing from the date
24 such amounts were due;
25 7. For liquidated damages;
26 8. For reasonable attorneys' fees and for costs of suit incurred herein pursuant to
27 California Labor Code § 1194(a); and,
9. For such other and further relief as the Court may deem equitable and appropriate.

As to the Second Cause of Action

10. That the Court declare, adjudge, and decree that Defendants violated California Labor Code §§ 510 and 1198 and applicable IWC Wage Orders by willfully failing to pay all overtime wages due;
11. For unpaid wages at overtime wage rates as may be appropriate;
12. For pre-judgment interest on any unpaid overtime compensation commencing from the date such amounts were due;
13. For reasonable attorneys' fees and for costs of suit incurred herein pursuant to California Labor Code § 1194(a); and,
14. For such other and further relief as the Court may deem equitable and appropriate.

///

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As to the Third Cause of Action

15. That the Court declare, adjudge, and decree that Defendants violated California Labor Code §§ 226.7 and 512, and the IWC Wage Orders;
16. For unpaid meal period premium wages as may be appropriate;
17. For pre-judgment interest on any unpaid compensation commencing from the date such amounts were due;
18. For reasonable attorneys' fees under California Code of Civil Procedure § 1021.5, and for costs of suit incurred herein; and,
19. For such other and further relief as the Court may deem equitable and appropriate.

As to the Fourth Cause of Action

20. That the Court declare, adjudge, and decree that Defendants violated California Labor Code §§ 226.7 and 512, and the IWC Wage Orders;
21. For unpaid rest period premium wages as may be appropriate;
22. For pre-judgment interest on any unpaid compensation commencing from the date such amounts were due;

23. For reasonable attorneys' fees under California Code of Civil Procedure § 1021.5,
and for costs of suit incurred herein; and,

24. For such other and further relief as the Court may deem equitable and appropriate.

As to the Fifth Cause of Action

25. That the Court declare, adjudge and decree that Defendants violated California
Labor Code §§ 201, 202, and 203 by willfully failing to pay all compensation owed at the time of
termination of the employment;

26. For statutory wage penalties pursuant to California Labor Code § 203 for former
employees who have left Defendants' employ;

27. For pre-judgment interest on any unpaid wages from the date such amounts were
due;

28. For reasonable attorneys' fees and for costs of suit incurred herein; and,

29. For such other and further relief as the Court may deem equitable and appropriate.

As to the Sixth Cause of Action

30. That the Court declare, adjudge, and decree that Defendants violated the record
keeping provisions of California Labor Code § 226(a) and applicable IWC Wage Orders, and
willfully failed to provide accurate itemized wage statements thereto;

31. For all actual damages, according to proof;

32. For statutory penalties pursuant to California Labor Code § 226(e);

33. For injunctive relief to ensure compliance with this section, pursuant to California
Labor Code § 226(h);

34. For reasonable attorneys' fees and for costs of suit incurred herein; and,

35. For such other and further relief as the Court may deem equitable and appropriate.

As to the Seventh Cause of Action

36. That the Court declare, adjudge, and decree that Defendants violated California
Labor Code § 2802 by willfully failing to indemnify employees for expenditures;

37. For unpaid wages or unreimbursed business expenses as may be appropriate;

38. For pre-judgment interest on any unpaid compensation commencing from the date such amounts were due;

39. For reasonable attorneys' fees and for costs of suit incurred herein; and,

40. For such other and further relief as the Court may deem equitable and appropriate.

As to the Eighth Cause of Action

41. That the Court declare, adjudge, and decree that Defendants violated California Business & Professions Code §§ 17200, *et seq.* by failing to pay for all hours worked (minimum, straight time, and overtime wages), failing to provide meal periods, failing to authorize and permit rest periods, and failing to indemnify employees for expenditures;

42. For restitution of unpaid wages to Plaintiffs and all Class Members and prejudgment interest from the day such amounts were due and payable;

43. For the appointment of a receiver to receive, manage and distribute any and all funds disgorged from Defendants and determined to have been wrongfully acquired by Defendants as a result of violations of California Business & Professions Code §§ 17200 *et seq.*;

44. For reasonable attorneys' fees and costs of suit incurred herein pursuant to California Code of Civil Procedure § 1021.5;

45. For injunctive relief to ensure compliance with this section, pursuant to California Business & Professions Code §§ 17200, *et seq.*; and,

46. For such other and further relief as the Court may deem equitable and appropriate.

As to the Ninth Cause of Action

47. That the Court declare, adjudge and decree that Defendants violated the California Labor Code by failing to pay wages for all hours worked (including minimum, straight time, and overtime), failing to provide meal periods and pay the correct amount of meal period premium wages, failing to authorize and permit rest periods and pay the correct amount of rest period premium wages, failing to pay all earned wages twice per month, failing to maintain accurate records of hours worked and meal periods, failing to pay all final wages to terminated employees, failing to furnish accurate wage statements, and failing to indemnify employees for expenditures;

48. For all actual, consequential and incidental losses and damages, according to proof;

49. For all civil penalties pursuant to California Labor Code §§ 2699, et seq., and all other applicable Labor Code provisions;

50. For reasonable attorneys' fees and costs of suit incurred herein pursuant to California Labor Code § 2699; and,

51. For such other and further relief as the Court may deem equitable and appropriate.

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As to all Causes of Action

52. For any additional relief that the Court deems just and proper.

Respectfully submitted,

Dated: ~~October 22, 2024~~ March 9, 2026

WILSHIRE LAW FIRM

By: Justin F. Marquez
Arrash T. Fattahi
Arman A. Salehi
Arrash T. Fattahi

Attorneys for Plaintiffs
Diane de la Cruz and Santos Andrade Nazario

Dated: March 9, 2026

MESSRELIAN LAW INC.

By: _____
Harout Messrelian

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Attorneys for Plaintiff Simon Perez Flores

DEMAND FOR JURY TRIAL

Plaintiffs demands a trial by jury as to all causes of action triable by jury.

Dated: March 9, 2026

WILSHIRE LAW FIRM

By: _____

Arrash T. Fattahi

Arman A. Salehi

Attorneys for Plaintiffs

Diane de la Cruz and Santos Andrade Nazario

Dated: March 9, 2026

MESSRELIAN LAW INC.

By: _____

Harout Messrelian

Attorneys for Plaintiff Simon Perez Flores

Dated: October 22, 2024

WILSHIRE LAW FIRM

By: _____

Justin F. Marquez

Arrash T. Fattahi

Attorneys for Plaintiff

EXHIBIT 4

**FIRST AMENDED CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND
RELEASE**

This First Amended Class Action and PAGA Settlement Agreement and Release (the “Settlement Agreement,” “Settlement” or “Agreement”) is entered into between Plaintiffs Diane De La Cruz, Santos Andrade Nazario, and Simon Perez Flores (collectively “Plaintiffs”), individually and on behalf of all other similarly-situated persons, and Defendant James Nicholson Enterprises, Inc. (“Defendant”), subject to the approval of the Court. Plaintiffs and Defendant are collectively referred to as the “Parties.”

DEFINITIONS

1. The following terms used in this Settlement Agreement shall have the meanings ascribed to them below:

a. “Actions” means *De La Cruz v. James Nicholson Enterprises, Inc.*, Superior Court of California, County of Santa Clara, Case Number 23-CV-421709 and *Flores v. James Nicholson Enterprises, Inc.*, Court of California, County of Santa Clara, Case Number 24-CV-428669.

b. “Aggrieved Employees” means all current and former hourly, non-exempt employees who worked for Defendant in California any time during the PAGA Period.

c. “Class” or “Class Members” means all current and former hourly, non-exempt employees who worked for Defendant in California any time during the Class Period.

d. “Class Counsel” means the Wilshire Law Firm and the Messrelian Law, Inc.

e. “Class Counsel’s Costs” refers to the amount of reasonable litigation expenses Class Counsel incurred in connection with this Action, currently estimated at Fifteen Thousand Dollars and Zero Cents (\$15,000.00), including their pre-filing investigation, their filing of the Actions and all related litigation activities, and all post-Settlement compliance procedures.

f. “Class List” means a list of Class Members that Defendant will compile from its records. The Class List shall include: each Class Member’s full name; last known address; last known email address; last known telephone number; Social Security number; the total number of workweeks that each Class Member worked in the state of California during the Class Period; and the total number of pay periods that each Aggrieved Employee worked in the state of California during the PAGA Period.

g. “Class Period” means any time between January 1, 2021 and April 3, 2025.

h. “Court” means the Superior Court of California, County of Santa Clara.

i. “Defendant” means James Nicholson Enterprises, Inc.

j. “Defendant’s Counsel” means Ventura Hersey & Muller, LLP.

k. “Effective Date” means the date of the later of (a) if there are no objections submitted, entry by the Court of a final approval order and judgment finally certifying the

Settlement Class and approving the Settlement, or (b) if there are objections to the Settlement, sixty (60) calendar days after the Court enters a final approval order and judgment approving the Settlement, or (c) if any appeal, writ, or other appellate proceeding opposing the Court's final approval order approving the Settlement has been filed, five (5) business days after any appeal, writ, or other appellate proceedings opposing the settlement have been finally and conclusively dismissed with no right to pursue further remedies or relief.

l. "Fee Award" means the award of attorneys' fees that the Court authorizes to be paid to Class Counsel for the services they rendered to Named Plaintiffs, the Settlement Class, the Aggrieved Employees, and the State of California in the Actions. Class Counsel will not seek more than one-third (1/3rd) of the Gross Settlement Amount as their Fee Award.

m. "Final" shall mean, with respect to a judgment or order, that the judgment or order is final and appealable and either (a) no appeal, motion, or petition to review or intervene has been taken with respect to the judgment or order as of the date on which all times to appeal, move, or petition to review or intervene therefrom have expired, or (b) if an appeal, motion or petition to intervene or other review proceeding of the judgment or order has been commenced, such appeal, motion or petition to intervene or other review is finally concluded and no longer is subject to review by any court, whether by appeal, petitions for rehearing or re-argument, petitions for rehearing *en banc*, petitions for writ of certiorari or otherwise, and such appeal or other review has been finally resolved in such manner that affirms the judgment or order in its entirety. Notwithstanding the foregoing, any proceeding, order, or appeal pertaining solely to the award of attorneys' fees, attorneys' costs, or any Service Award shall not by itself in any way delay or preclude the judgment from becoming a final judgment or the Settlement from becoming "Effective."

n. "Final Approval" or "Final Approval Order" means the Court's Final Approval Order approving the Settlement and entering judgment.

o. "Final Approval Hearing" means the hearing to be held by the Court to consider the Final Approval of the Settlement.

p. "Gross Settlement Amount" means the non-reversionary total amount that Defendant shall pay in connection with this Settlement, including any interest earned on such funds, in exchange for the release of the Settlement Class Members' and Aggrieved Employees' Released Claims. The Gross Settlement Amount is the gross sum of Two Hundred-Fifty Thousand Dollars (\$250,000.00), plus amounts paid pursuant to the Escalator Clause in Section 22(b) below, if any. The Gross Settlement Amount includes: (a) all Settlement Awards to Settlement Class Members; (b) PAGA Payment; (c) Service Award; (d) Attorneys' Fees and Costs to Class Counsel, and (e) Settlement Administration Costs to the Settlement Administrator. Except for the Defendant's employer's portion of payroll taxes on Settlement Awards to Class Members ("Defendant's Payroll Taxes"), the Parties agree that Defendant will have no obligation to pay any amount in connection with this Settlement Agreement apart from the Gross Settlement Amount and Defendant's Payroll Taxes. There will be no reversion.

q. "Individual PAGA Payment" means an Aggrieved Employee's *pro rata* share of 25% of the PAGA Penalties calculated according to the number of pay periods worked by the Aggrieved Employee during the PAGA Period.

r. "Net PAGA Amount" means the Twenty-Five Percent (25%) of the amount of civil penalties under the PAGA, or Nine Hundred Dollars (\$900).

s. "Net Settlement Amount" means the Gross Settlement Amount less: (i) Service Awards; (ii) Fee Award; (iii) Class Counsel's Costs; (iv) Settlement Administrator Costs; (v) the payment to Labor and Workforce Development Agency ("LWDA") for its share of PAGA penalties; (vi) and the Net PAGA Amount. The Parties acknowledge that all of these amounts are subject to the Court's approval.

t. "Notice Deadline" means the date sixty (60) days after the Settlement Notice is initially mailed to the Class. Class Members shall have until the Notice Deadline to object to, or opt-out of, the Settlement.

u. "PAGA Payment" means Three Thousand Six Hundred Dollars (\$3,600.00) in civil penalties under the Private Attorneys' General Act ("PAGA").

v. "PAGA Period" means any time between September 22, 2022 through April 3, 2025.

w. "Plaintiffs" means Diane De La Cruz, Santos Andrade Nazario, and Simon Perez Flores.

x. "Preliminary Approval" or "Preliminary Approval Order" means the Court's Preliminary Approval Order preliminarily approving the terms and conditions of this Agreement.

y. "Qualified Settlement Fund" means a qualified settlement fund under Section 468B of the Internal Revenue Code established by the Settlement Administrator for the purpose of administering this Settlement.

z. "Releasees" or "Released Parties" means Defendant James Nicholson Enterprises, Inc. and all of its parent companies, subsidiaries, divisions, concepts, related or affiliated companies, and its or their respective shareholders (including, without limitation, James Nicholson), officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity that could be liable for any of the Released Claims.

aa. "Service Awards" means the payments to Plaintiffs for their efforts in bringing and prosecuting this matter. The Service Awards will not exceed the following amount: Five Thousand Dollars (\$5,000.00) for each Plaintiff.

bb. "Settlement Administrator" means Phoenix Settlement Administrators, Inc., the third-party class action settlement administrator that will handle the administration of this Settlement, subject to approval by the Court.

cc. "Settlement Administrator Costs" refer to the costs the Settlement Administrator will incur to distribute the Settlement Notice and Settlement Awards, which are estimated to be Eight Thousand Dollars (\$8,000.00).

dd. "Settlement Class Award" means the payment that each Settlement Class Member shall be entitled to receive pursuant to the terms of this Agreement.

ee. The "Settlement Class" or "Settlement Class Members" means all current and former hourly, non-exempt employees who worked for Defendant in California any time during the Class Period and excluding any opt-outs.

ff. "Settlement Notice" means the Notice of Class Action Settlement to the Settlement Class Members and Aggrieved Employee substantially in the form as Exhibit A attached hereto, or as approved by the Court.

RECITALS

2. On August 30, 2023, Diane De La Cruz filed an initial action entitled *Diane De La Cruz v. James Nicholson Enterprises, Inc.* against Defendant in the Superior Court of California, County of Santa Clara, Case No. 23-CV-421709, asserting claims as a class pursuant to California labor laws. On October 22, 2024, Ms. De La Cruz filed a First Amended Complaint ("FAC") which asserted PAGA claims. (The "*De La Cruz Action*"). On January 5, 2024, Plaintiff Simon Perez Flores filed his action entitled *Flores v. James Nicholson Enterprises, Inc.* against Defendant in the Superior Court of California, County of Santa Clara, Case No. 24-CV-428669, asserting Private Attorneys General Act claims (the "*Flores Action*").

3. The Parties agree that they will stipulate to the filing of a Second Amended Complaint which adds Santos Andrade Nazario and Simon Perez Flores as a plaintiff in the *De La Cruz Action* and asserts all of the claims asserted by Mr. Perez Flores in the *Flores Action*. Upon the approval of the Settlement, the parties to the *Flores Action* shall jointly request that it be dismissed *with prejudice*.

4. Through the Actions, Plaintiffs allege that Defendant violated the wage and hour laws of California by failing to pay Class Members and Aggrieved Employees earned wages, failing to provide legally compliant meal and rest periods, and failing to reimburse business expenses. On this basis, Plaintiffs brought claims against Defendant for unpaid minimum wages and overtime wages, failure to provide meal and rest periods, failure to reimburse business expenses, inaccurate wage statements, failure to pay final wages, unfair competition, and civil penalties under the PAGA.

5. On March 13, 2025 and April 3, 2025, the Parties participated in mediation sessions which were held before employment mediator Michael Mandel. Following mediation, on April 10, 2025, the Parties reached a settlement pursuant to a mediator's proposal.

6. Class Counsel has made a thorough and independent investigation of the facts and law relating to the allegations in the Action. In agreeing to this Settlement Agreement, Plaintiffs have considered: (a) the facts developed during pre-mediation, informal discovery and the Parties' mediation process and the law applicable thereto; (b) the attendant risks of continued litigation and the uncertainty of the outcome of the claims alleged against Defendant; and (c) the desirability of consummating this Settlement according to the terms of this Settlement Agreement. Plaintiffs have concluded that the terms of this Settlement are fair, reasonable and adequate, and that it is in the best interests of Plaintiffs, the Settlement Class (as defined above) and the Aggrieved Employees to settle their claims against Defendant pursuant to the terms set forth herein.

7. Defendant denies the allegations in the Actions and denies any and all liability, including any liability for alleged failure to pay overtime compensation or any alleged wage payment, or similar violation. This Settlement Agreement shall not be construed as an admission by Defendant or any of the Releasees (as defined above) of any fault, liability or wrongdoing, which Defendant expressly denies.

8. The Parties recognize that notice to the Settlement Class of the material terms of this Settlement, as well as Court approval of this Settlement, are required to effectuate the

Settlement, and that the Settlement will not become operative until the Court grants final approval of it, Settlement becomes Final and the Settlement Effective Date occurs.

9. The Parties stipulate and agree that, for settlement purposes only, the requisites for establishing class certification pursuant to CAL. CIV. CODE PROC. § 382 are met. Should this Settlement not become Final, such stipulation to certification shall become null and void and shall have no bearing on, and shall not be admissible in connection with, the issue of whether class certification would be appropriate in a non-settlement context.

10. In consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party to the other, IT IS HEREBY AGREED, by and between the undersigned, subject to the final approval of the Court and the other conditions set forth herein, that in exchange for Defendant's payment of the Gross Settlement Amount, Plaintiffs', the Settlement Class', and the Aggrieved Employees' claims as described herein against Defendant shall be settled, compromised, and dismissed, on the merits and with prejudice, and that Plaintiffs', the Settlement Class', and the Aggrieved Employees' Released Claims shall be finally and fully compromised, settled, and dismissed as to the Defendant and Releasees, in the manner and upon the terms and conditions set forth below.

RELEASES

11. In exchange for the consideration set forth in this Settlement Agreement, Plaintiffs and Settlement Class Members agree to release all claims as set forth herein as applicable.

12. **Settlement Class Members' Released Claims.** Upon Final Approval of the Settlement Agreement and payment of amounts set forth herein, and except as to such rights or claims as may be created by this Settlement Agreement, Plaintiffs and all Settlement Class Members shall and hereby do release and discharge all Releasees, finally, forever and with prejudice, from the claims during the Class Period as follows:

The Settlement Class Members release the Releasees from the following rights or claims: all claims arising between January 1, 2021 and April 3, 2025, inclusive, under state, federal, or local law, arising out of the facts pleaded in the operative Second Amended Complaint filed in the *De La Cruz* Action (including, but not limited to: claims for violation of Labor Code sections 201-204, 226, 226.7, 510-512, 1174, 1174.1, 1182.11, 1182.12, 1194, 1197, 1197.1, 1198 and 2699 *et seq.* and Business and Professions Code § 17200 *et seq.* and claims based on alleged violations of these Labor Code provisions) and all other claims, such as those under the California Labor Code, Wage Orders, regulations, and/or other provisions of law, that were or could have been pleaded based on the facts asserted in the Action, including: (1) failure to pay for all hours worked; (2) failure to pay minimum wages; (3) failure to pay overtime wages; (4) failure to authorize and permit and/or make available meal and rest periods; (5) failure to provide timely and accurate itemized wage statements; (6) waiting time penalties; and (7) unlawful business practices. The enumeration of these specific statutes and theories shall neither enlarge nor narrow the scope of *res judicata* based on the claims that were asserted in the Action or could have been asserted in the Action based on the facts and theories alleged in any complaint on file in the Action.

13. **Releases of PAGA Claims.** The release period for PAGA claims runs from September 22, 2022, through the date of Preliminary Approval.

For the State of California, and, to the extent permitted by law, the Aggrieved Employees, the PAGA release includes all claims asserted in the PAGA Notices and as alleged in the First Amended Complaint filed in the *De La Cruz* Action and as alleged in the Complaint for the *Flores* Action, for PAGA civil penalties pursuant to Labor Code sections 2699, *et seq.* in connection with alleged violations of Labor Code sections 201-203, 204, 226, 226.7, 510, 1182.12, 1174, 1194, 1197, 1198, and 2802 (the PAGA Released Claims”).

14. **Plaintiffs’ Released Claims.** In addition to the releases made in Sections 12-13 above, in the event a service award is awarded to Plaintiffs, each Plaintiff, in consideration of the service award shall, and hereby does, release and discharge the Releasees, finally, forever, and with prejudice, from unknown claims covered by California Civil Code section 1542 that could be or are asserted based upon any theory or facts whatsoever, arising at any time up to and including the date of the execution of this Settlement Agreement, for any type of relief, including, without limitation, claims for minimum, straight time, or overtime wages, premium pay, business expenses, other damages, penalties (including, but not limited to, waiting time penalties), liquidated damages, punitive damages, interest, attorneys’ fees, litigation and other costs, expenses, restitution, and equitable and declaratory relief, and, upon Final Approval, each Plaintiff shall be deemed to have expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits she may otherwise have had relating to the Plaintiff’s Released Claims pursuant to Section 1542 of the California Civil Code, which provides as follows:

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.

CERTIFICATION, NOTICE, AND SETTLEMENT IMPLEMENTATION

15. The Parties agree to the following procedures for obtaining Preliminary Approval of the Settlement, certifying the Class, and notifying the Class of this Settlement:

- a. **Request for Class Certification and Preliminary Approval Order.** Plaintiffs shall file an Unopposed Motion for Preliminary Approval of Settlement Agreement, requesting that the Court certify the Class pursuant to CAL. CIV. CODE PROC. § 382 for the sole purpose of settlement; preliminarily approve the Settlement Agreement and its terms; approve the proposed form of the Settlement Notice and find that the proposed method of disseminating the Settlement Notice meets the requirements of due process and is the best notice practicable under the circumstances; set a date for Plaintiffs’ motion for Final Approval of the Settlement, and approval of the requested Service Award, Fee Award, Class Counsel’s Costs, and Settlement Administrator’s Costs; and set a date for the Final Approval Hearing.
- b. **Notice.** The Settlement Administrator shall be responsible for preparing, printing, mailing, and emailing the Settlement Notice to all Class Members.

In addition to other information contained on the Settlement Notice, the Settlement Notice shall state the estimated payment the class member is expected to receive assuming full participation of all Settlement Class Members, as well as the estimated Individual PAGA Payment, as applicable. The Settlement Administrator shall create a toll-free call center to field telephone inquiries from Class Members during the notice and settlement administration periods.

- c. Within ten (10) business days after the Court's Preliminary Approval of the Settlement, Defendant shall provide to the Settlement Administrator and Class Counsel the Class List, an electronic database containing the names, last known addresses, last known telephone numbers (if any), last known email addresses (if any), social security numbers or tax ID numbers of each Class Member and Aggrieved Employee, along with: (1) the total number of workweeks that each Class Member worked for Defendant in California from January 1, 2021 through April 3, 2025; (2) the total number of pay periods that each Aggrieved Employee worked for Defendant in California from September 22, 2022 through April 3, 2025.
- d. In order to provide the best notice practicable, prior to mailing the Settlement Notice, the Settlement Administrator will take reasonable efforts to identify current addresses via public and proprietary systems.
- e. Within ten (10) business days after receiving the contact information for the Class Members and Aggrieved Employees, the Settlement Administrator shall mail and email (if email addresses are available) the agreed-upon and Court-approved Settlement Notice to Class Members and Aggrieved Employees. The Settlement Administrator shall provide notice to Class Counsel and Defendant's Counsel that the Settlement Notice has been mailed.
- f. Any Settlement Notice returned to the Settlement Administrator with a forwarding address shall be re-mailed within three (3) business days following receipt of the returned mail. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine a correct address using a skip-trace, or other search using the name, address and/or Social Security number of the Class Member involved, and shall re-mail the Notice of Settlement. In no circumstance shall such re-mailing extend the Notice Deadline.
- g. Within ten (10) business days after the Notice Deadline, the Settlement Administrator shall provide Defendant's Counsel and Class Counsel, respectively, a report showing: (i) the names of Class Members and Aggrieved Employees; (ii) the Settlement Awards owed to each Class Member and Aggrieved Employee; (iii) the final number of Class Members who have submitted objections or valid letters requesting exclusion from the Settlement; and (iv) the number of undeliverable Notices of Settlement. Upon completion of administration of the Settlement, the Settlement Administrator shall provide written certification of such completion to counsel for all Parties and the Court. This written certification shall include the total number of Settlement Class Members and Aggrieved Employees,

the average recovery per Class Member who does not request exclusion, the median recovery per Class Member who does not request exclusion, the largest and smallest amounts paid to Class Members who do not request exclusion, and the number and value of checks not cashed.

- h. Defendant will not take any adverse action against any current or former employee on the grounds that he/she is eligible to participate and/or does participate in the Settlement. Defendant will not discourage participation in this Settlement Agreement or encourage objections or opt-outs.
- i. Within ten (10) business days after the conclusion of the 180-day check cashing period below, the Settlement Administrator shall provide Defendant's Counsel and Class Counsel, respectively, a report regarding the total amount of any funds that remain from checks that are returned as undeliverable or are not negotiated.

16. **Disputes Regarding Workweeks.** To the extent that any Class Member disputes the number of workweeks that the Class Member worked, as shown in his or her Settlement Notice, such Class Members may produce evidence to the Settlement Administrator establishing the dates they contend to have worked for Defendant. The deadline for Class Members to submit disputes pursuant to this paragraph is the Notice Deadline (disputes must be postmarked by the Notice Deadline). Unless the Class Member presents convincing evidence proving he or she worked more workweeks than shown by Defendant's records, his/her Settlement Award will be determined based on Defendant's records. The Settlement Administrator shall notify counsel for the Parties of any disputes it receives. Defendant shall review its records and provide further information to the Settlement Administrator, as necessary. The Settlement Administrator shall provide a recommendation to counsel for the Parties. Counsel for the Parties shall then meet and confer in an effort to resolve the dispute. If the dispute cannot be resolved by the Parties, it shall be presented to the Court for a resolution. The Settlement Administrator will notify the disputing Class Member of the decision.

17. **Objections.** The Settlement Notice shall provide that Class Members who wish to object to the Settlement must, on or before the Notice Deadline, serve upon Class Counsel and Defendant's Counsel a written statement objecting to the Settlement. The Settlement Notice shall also provide the Court's mailing address for sending objections and notices to appear: Superior Court of California, County of Santa Clara, 191 N. 1st Street, San Jose, California 95113. Such objection shall not be valid unless it includes the information specified in the Settlement Notice. The statement must be signed personally by the objector, and must include the objector's name, address, telephone number, email address (if applicable), the factual and legal grounds for the objection, and whether the objector intends to appear at the Final Approval Hearing. The Settlement Notice shall advise Class Members that objections shall only be considered if the Class Member has not opted out of the Settlement. Class Member shall be entitled to be heard at the Final Approval Hearing (whether individually or through counsel). The postmark date of mailing to Class Counsel and Defendant's Counsel shall be the exclusive means for determining that an objection is timely mailed to counsel. If postmark dates differ, the later of the two postmark dates will control. Absent good cause found by the court, persons who fail to make timely written objections in the manner specified above shall be deemed to have waived any objections and oppositions to the Settlement's fairness, reasonableness and adequacy, and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement. None of the Parties, their counsel, nor any person on their behalf, shall seek to solicit or otherwise encourage

anyone to object to the settlement, or appeal from any order of the Court that is consistent with the terms of this Settlement.

18. **Requests for Exclusion.** The Settlement Notice shall provide that Class Members, other than Plaintiffs, who wish to exclude themselves from the Settlement (“opt out”) must mail to the Settlement Administrator a written statement indicating that they do not wish to participate or be bound by the Settlement. The written request for exclusion must contain the Class Member’s full name, address, telephone number, email address (if applicable), and last four digits of their social security number, and must be signed individually by the Class Member. No opt-out request may be made on behalf of a group. Such written statement must be postmarked by the Notice Deadline. None of the Parties, their counsel, nor any person on their behalf, shall seek to solicit or otherwise encourage anyone to exclude themselves from the settlement.

19. **Cure Period.** In the event any request for exclusion is timely submitted but does not contain sufficient information to be valid, the Settlement Administrator shall provide the Class Member, within seven (7) calendar days, a letter requesting the information that was not provided and giving the Class Member fourteen (14) days from the mailing of such cure letter to respond. Any invalid submission that is not timely cured will be considered a nullity.

20. **Final Approval Hearing.** Class Counsel will be responsible for drafting the Unopposed Motion for Final Approval of Settlement Agreement, and approval of the requested Service Awards, Fee Award, Class Counsel’s Costs, and Settlement Administrator’s Costs to be heard at the Final Approval Hearing. Plaintiffs shall request that the Court schedule the Final Approval Hearing no earlier than thirty (30) days after the Notice Deadline to determine final approval of the settlement and to enter a Final Approval Order:

- a. certifying this Action and Class as a class action CAL. CIV. CODE PROC. § 382 for purposes of settlement only;
- b. finding dissemination of the Settlement Notice was accomplished as directed and met the requirements of due process;
- c. approving the Settlement as final and its terms as a fair, reasonable, and adequate;
- d. approving the PAGA Payment;
- e. approving the payment of the Service Awards to Plaintiffs;
- f. approving Class Counsel’s application for an award of attorneys’ fees and reimbursement of out-of-pocket litigation costs and expenses;
- g. directing that the Settlement funds be distributed in accordance with the terms of this Settlement Agreement;
- h. directing that the Action be dismissed finally, fully, forever and with prejudice and in full and final discharge of any and all Settlement Class Members’ Released Claims; and
- i. retaining continuing jurisdiction over this Action for purposes only of overseeing all settlement administration matters.

21. **Post Judgment Report.** At the conclusion of the 180-day check cashing period for the set forth below in Section 32, and following receipt of the Settlement Administrator's report showing the total funds that were actually paid to Settlement Class Members, Class Counsel shall submit a post-judgment report to the Court regarding any funds that remain from checks that are returned as undeliverable or are not negotiated.

SETTLEMENT FUNDS AND AWARD CALCULATION

22. **Gross Settlement Amount.** Defendant shall pay Two Hundred-Fifty Thousand (\$250,000.00), plus any amounts paid pursuant to the Escalator Clause in Section 22.b below as the Gross Settlement Amount.

- a. **Funding of Settlement.** Within fourteen (14) days following the occurrence of the Effective Date of the Settlement as defined above, or April 10, 2026, whichever is later, Defendant shall remit payment of the Gross Settlement Amount (as the same may be escalated pursuant to Paragraph 28., b., of the Agreement) to the Settlement Administrator. Defendant shall also pay the corresponding amount of Defendant's Payroll Taxes. Only the Settlement Administrator shall have access to the Qualified Settlement Fund. Defendant shall not have access to the Gross Settlement Amount, or to any earned interest, once those funds are deposited into the interest-bearing Qualified Settlement Fund. The Gross Settlement Amount is fully non-reversionary.
- b. **Escalator Clause.** Defendant estimates that there were approximately 25,000 workweeks for the period of January 1, 2021 through April 3, 2025. Plaintiffs are entering into this Settlement Agreement based on such representations. In the event it is determined that the actual number of workweeks exceeds 25,000 during the Class Period, Defendant will have the option of either: (a) increasing the Gross Settlement Amount proportionally; or (b) end the Class Period on the date on which the number of workweeks reached 25,000.
- c. **Disbursement by Settlement Administrator.** Within seven (7) calendar days after payment of the full Gross Settlement Amount and employer taxes by Defendant, the Settlement Administrator shall distribute payments from the QSA for: (1) the Service Awards to Plaintiffs as approved by the Court; (2) the Attorneys' Fees and Cost Award to be paid to Class Counsel, as approved by the Court; (3) the Settlement Administrator Costs, as approved by the Court; (4) the LWDA Payment, as approved by the Court; and (5) Individual PAGA Payments as approved by the Court. The balance remaining shall constitute the Net Settlement Amount from which Individual Settlement Payments shall be made to Settlement Class Members, less applicable taxes and withholdings. The Settlement Administrator shall be the only entity authorized to make withdrawals or payments from the Qualified Settlement Fund.

23. **Payments.** Subject to the Court's Final Approval Order, the following amounts shall be paid by the Settlement Administrator from the Gross Settlement Amount:

- a. **Service Award to Plaintiffs.** Subject to the Court's approval, each Plaintiff shall receive up to Five Thousand Dollars (\$5,000.00) in exchange for Plaintiffs' Released Claims and for their efforts in bringing and prosecuting this matter. The Settlement Administrator shall issue an IRS Form 1099 for this payment. If the Court approves Service Awards in an amount less than what Plaintiffs request, the reduction in the Service Awards shall not be a basis for nullification of this Settlement. Nor shall a reduction in the Service Awards in any way delay or preclude the judgment from becoming a final judgment or the Settlement from becoming Effective.
- b. **Fee Awards and Costs.**
 - i. Subject to the Court's approval, Class Counsel shall receive a Fee Award in an amount up to one-third ($1/3^{\text{rd}}$) of the Gross Settlement Amount, currently Eighty-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$83,333.33) which will compensate Class Counsel for all work performed in the Action as of the date of this Settlement Agreement as well as all of the work remaining to be performed, including but not limited to documenting the Settlement, securing Court approval of the Settlement, making sure that the Settlement is fairly administered and implemented, and obtaining final dismissal of the Action.
 - ii. Subject to the Court's approval, Class Counsel shall also receive reimbursement of their actual costs currently estimated at \$15,000.00.
 - iii. An IRS Form 1099 shall be provided to Class Counsel for the payments made to Class Counsel. Class Counsel shall be solely and legally responsible to pay any and all applicable taxes on the payment made to them.
- c. **Labor and Workforce Development Agency Payment.** Subject to Court approval, the Parties agree that the PAGA Payment in the amount of Three Thousand Six Hundred Dollars (\$3,600.00) from the Gross Settlement Amount will be paid in settlement of all representative claims brought in the Action under the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, et seq., "PAGA"). Pursuant to PAGA, Seventy-Five Percent (75%), or Two Thousand Seven Hundred Dollars (\$2,700.00), of this sum will be paid to the Labor and Workforce Development Agency ("LWDA") and Twenty-Five Percent (25%), or Nine Hundred Dollars (\$900), will be allocated to the Net PAGA Amount.
- d. **Settlement Administration Costs.** Settlement Administration costs shall be paid from the Gross Settlement Amount. The Parties agree to cooperate in the settlement administration process and to make all reasonable efforts to control and minimize the costs incurred in the administration of the Settlement.

- e. **Settlement Awards to Settlement Class Members.** The balance remaining after payment of the above shall constitute the Net Settlement Amount from which Settlement Awards shall be paid to Settlement Class Members, less applicable taxes and withholdings.

24. **No Claim Based Upon Distributions or Payments in Accordance with this Settlement Agreement.** No person shall have any claim against Plaintiffs, Defendant, Class Counsel, or Defendant's Counsel based on distributions or payments made in accordance with this Settlement Agreement.

CALCULATION AND DISTRIBUTION OF SETTLEMENT AWARDS

25. **Settlement Award Eligibility.** All Settlement Class Members shall be paid a Settlement Award from the Net Settlement Amount.

26. Any Class Member who fails to submit a timely request to exclude themselves from the Settlement by following the procedure set forth in the Settlement Notice shall automatically be deemed a Settlement Class Member whose rights and claims with respect to the issues raised in the Action are determined by any order the Court enters granting final approval, and any judgment the Court ultimately enters in the Action. Any such Settlement Class Member's rights to pursue any Released Claims (as defined in this Settlement Agreement) will be extinguished.

27. **Settlement Award Calculations.** The Settlement Administrator shall be responsible for determining the amount of the Settlement Award to be paid to each Settlement Class Member and Aggrieved Employee based on the below formulas:

- a. Settlement Class Members shall receive a *pro rata* portion of the Net Settlement Amount as follows:
 - i. When calculating the individual Settlement Awards to Settlement Class Members following Final Approval (for purposes of preparing Individual Settlement Payment checks), the Settlement Administrator will not include Class Members who validly request exclusion from the Settlement.
 - ii. For each week during which the Participating Individual worked for Defendant at any time during the Class Period, he or she shall be eligible to receive a *pro rata* portion of the Net Settlement Amount based on the number of workweeks the Settlement Class Member worked. Each workweek will be equal to one (1) settlement share.
 - iii. The total number of settlement shares for all Settlement Class Members will be added together and the resulting sum will be divided into the Net Settlement Amount to reach a per share dollar figure. That figure will then be multiplied by each Participating Individual's number of settlement shares to determine the Settlement Class Member's *pro rata* portion of the Net Settlement Amount.
- b. Aggrieved Employees shall also receive a *pro rata* portion of the Net PAGA Amount. Class Members who validly request exclusion from the Settlement

will receive a *pro rata* portion of the Net PAGA Amount. These payments shall be made as follows:

- i. For any Aggrieved Employee who worked for Defendant during the PAGA Period, he or she shall be eligible to receive a *pro rata* portion of the Net PAGA Amount based on the number of pay periods the Aggrieved Employee worked. Each pay period will be equal to one (1) settlement share. The total number of settlement shares for all Aggrieved Employees will be added together and the resulting sum will be divided into the Net PAGA Amount to reach a per share dollar figure. That figure will then be multiplied by each Aggrieved Employee's number of settlement shares to determine the Aggrieved Employee's *pro rata* portion of the Net PAGA Amount.
- ii. For Settlement Class Members who are also Aggrieved Employees, the Settlement Class Member's *pro rata* portion of the Net PAGA Amount, if any, may be added to the Settlement Class Member's share of the Net Settlement Amount.

28. **Settlement Award Determinations.** All Settlement Award determinations shall be based on Defendant's timekeeping, payroll, and/or other records. If the Parties determine, based upon further review of available data, that a person previously identified as being a Settlement Class Member is not a Settlement Class Member, or an individual who was not previously identified as a Settlement Class Member is in fact a Settlement Class Member but was not so included, the Settlement Administrator shall promptly make such addition or deletion as appropriate.

29. **Settlement Award Allocations.** Individual PAGA Payments shall be allocated as penalties and will be reported on an IRS Form 1099. The Settlement Award shall be allocated as follows: Twenty percent (20%) of each Settlement Award shall be allocated as wages and subject to tax withholdings, eighty percent (80%) of each Settlement Award shall be allocated as interest and penalties. Settlement Class Members shall be issued an IRS Form W-2 for the wage portion of the Settlement Awards. Settlement Class Members will also be issued an IRS Form 1099 for the portions of the Settlement Awards that are allocated to penalties, expense reimbursements, and interest. Defendant shall pay the employer's share of all required FICA and FUTA taxes on the wage portions of the Settlement Awards. The Settlement Administrator shall calculate the employer share of taxes and provide Defendant with the total employer tax contributions. Defendant shall pay the calculated employer tax contributions to the Settlement Administrator pursuant to Section 22.a. Withheld taxes will be remitted by the Settlement Administrator to the appropriate governmental authorities. Defendant shall cooperate with the Settlement Administrator to provide payroll tax information as necessary to accomplish the income and employment tax withholding on the wage portion of each Settlement Award, and the Form 1099 reporting for the non-wage portion of each Settlement Award.

30. Class Counsel and Defendant's Counsel do not intend this Settlement Agreement to constitute legal advice relating to the tax liability of any Class Member or Aggrieved Employee. To the extent that this Settlement Agreement, or any of its attachments, is interpreted to contain or constitute advice regarding any federal, state or local tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any tax liability or penalties.

31. The Settlement Administrator shall provide Class Counsel and Defendant's Counsel with a final report of all Settlement Awards.

32. All Settlement Award checks shall remain valid and negotiable for one hundred eighty (180) days from the date of their issuance and may thereafter automatically be canceled if not cashed within that time, at which time the right to recover any Settlement Award will be deemed void and of no further force and effect.

- a. With ninety (90) days remaining for the 180-day check cashing deadline, a reminder letter will be sent via U.S. mail and email to those who have not yet cashed their settlement check. At the conclusion of the 180 day check cashing deadline, Settlement Class Members who have not cashed their Settlement Award checks shall nevertheless be deemed to have finally and forever released the Plaintiff's Released Claims or Settlement Class Members' Released Claims, as applicable.

33. **Remaining Monies.** If at the conclusion of the 180-day check cashing period set forth above, checks that are returned as undeliverable or are not negotiated shall be cancelled and those monies associated with such cancelled checks shall, consistent with the requirements of Civil Code Section 384, be remitted pursuant to Code of Civil Procedure section 384 to the Katharine & George Alexander Community Law Center ("Cy Pres Recipient"), a non-profit legal services organization that assists low-income workers. The Parties, Class Counsel, and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient. Within twenty-one (21) days after Distribution, Plaintiff will file a Post-Distribution Accounting. The Post-Distribution Accounting will set forth the total settlement fund, the total number of Settlement Class Members, the total number of Settlement Class Members to whom notice was sent and not returned as undeliverable, the number and percentage of opt-outs, the number and percentage of objections, the average and median recovery per Class Member, the largest and smallest amounts paid to Class Members, the method(s) of notice and the method(s) of payment to Class Members, the number and value of checks not cashed, the amounts distributed to the *Cy Pres Recipient* (if applicable), the administrative costs, the attorneys' fees and costs, the attorneys' fees in terms of percentage of the settlement fund, and the multiplier, if any.

MISCELLANEOUS

34. **Submissions to the LWDA.** At the same time as they submit this Class Action Settlement Agreement to the Court for Preliminary Approval, Class Counsel shall submit a copy of this Agreement to the LWDA, as required by California Labor Code § 2699(1)(2). Within ten (10) days following the Effective Date, Class Counsel shall submit a copy of the Final Approval Order and Judgment entered by the Court to the LWDA, as required by California Labor Code § 2699(1)(3).

35. **No Admission of Liability.** This Settlement Agreement and all related documents are not and shall not be construed as an admission by Defendant or any of the Releasees of any fault or liability or wrongdoing.

36. **Defendant's Legal Fees.** Defendant's legal fees and expenses in this Action shall be borne by Defendant.

37. **Nullification of the Settlement Agreement.** The Parties agree to cooperate fully with each other to accomplish the terms of the Settlement, to use their best efforts to finalize the

Settlement, and to use all other efforts that may become necessary by order of the Court, or otherwise, to effectuate the Settlement. In the event: (a) the Court does not preliminarily or finally approve the Settlement as provided herein; or (b) the Settlement does not become Final for any other reason; or (c) the Effective Date does not occur, the Parties agree to engage in follow up negotiations with the intent of resolving the Court's concerns that precluded approval, and if feasible, to resubmit the settlement for approval within thirty (30) days. If the Settlement is not approved as resubmitted or if the Parties are not able to reach another agreement, then either Party may void this Agreement; at that point, the Parties agree that each shall return to their respective positions on the day before this Agreement and that this Agreement shall not be used in evidence or argument in any other aspect of their litigation.

38. **Defendant's Option to Void Settlement.** If more than ten percent (10%) of the total number of Class Members submit timely and valid Requests for Exclusion / Opt-Out Requests, then Defendant shall have the option to void the Settlement in their sole discretion. To exercise this option, Defendant must send written notification to Class Counsel within fourteen (14) days of receiving a report from the Settlement Administrator informing Defendant's Counsel that the total number of timely and valid Requests for Exclusion / Opt-Out Requests is more than ten percent (10%). If Defendant chooses to exercise this option, the effect will be precisely the same as if Final Judgment did not occur, as discussed herein, and all Settlement Administrator Costs incurred by the Settlement Administrator through that date will be paid by Defendant.

39. **Publicity.** The parties agree that neither Party will issue any press release or other public or non-public representation regarding the settlement other than as necessary to obtain Court approval and effectuate the terms of the settlement.. The parties and their counsel agree that they will not initiate or have any contact with the press, respond to any press inquiry or have any communication with the press about this case until after Final Approval. Class Counsel will not utilize this Settlement in any marketing or advertising materials or website until after Final Approval. This does not prohibit Class Counsel from speaking to or responding to inquiries from Class Members or citing to this case in court filings regarding their adequacy as Class Counsel.

40. **Inadmissibility of Settlement Agreement.** Except for purposes of settling this Action, or enforcing its terms (including that claims were settled and released), resolving an alleged breach, or for resolution of other tax or legal issues arising from a payment under this Settlement Agreement, neither this Agreement, nor its terms, nor any document, statement, proceeding or conduct related to this Agreement, nor any reports or accounts thereof, shall be construed as, offered or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to the Parties, including, without limitation, evidence of a presumption, concession, indication or admission by any of the Parties of any liability, fault, wrongdoing, omission, concession or damage.

41. **Computation of Time.** For purposes of this Agreement, if the prescribed time period in which to complete any required or permitted action expires on a Saturday, Sunday, or legal holiday (as defined by CAL. CIV. CODE PROC. §§ 12, 12a), such time period shall be continued to the following business day. The term "days" shall mean calendar days unless otherwise noted.

42. **Interim Stay of Proceedings.** The Parties agree to hold in abeyance all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement. Further, without further order of the Court, the Parties hereto may agree in writing to reasonable extensions of time to carry out any of the provisions of the Settlement.

43. **Amendment or Modification.** This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors in interest. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

44. **Entire Settlement Agreement.** This Agreement with exhibits constitutes the entire Agreement among the Parties, and no oral or written representations, warranties or inducements have been made to any Party concerning this Agreement other than the representations, warranties, and covenants contained and memorialized in such documents. All prior or contemporaneous negotiations, memoranda, agreements, understandings, and representations, whether written or oral, are expressly superseded hereby and are of no further force and effect. Each of the Parties acknowledges that they have not relied on any promise, representation or warranty, express or implied, not contained in this Agreement. No rights hereunder may be waived except in writing.

45. **Authorization to Enter into Settlement Agreement.** The Parties warrant and represent that they are authorized to enter into this Agreement and 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 required to effectuate the terms of this Agreement. The Parties and their counsel shall cooperate with each other and use their best efforts to effect the implementation of the Agreement. In the event that the Parties are unable to reach resolution on the form or content of any document needed to implement this Agreement, or on any supplemental provisions or actions that may become necessary to effectuate the terms of this Agreement, the Parties shall seek the assistance of the mediator, Deborah Saxe, to resolve such disagreement.

46. **Binding on Successors and Assigns.** This Agreement shall be binding upon, and inure to the benefit of Plaintiffs, Defendant, the Settlement Class Members and their heirs, beneficiaries, executors, administrators, successors, transferees, successors, assigns, or any corporation or any entity with which any party may merge, consolidate or reorganize. The Parties hereto represent, covenant and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein.

47. **Counterparts.** This Agreement may be executed in one or more counterparts, including by facsimile or email. All executed counterparts and each of them shall be deemed to be one and the same instrument. All executed copies of this Agreement, and photocopies thereof (including facsimile and/or emailed copies of the signature pages), shall have the same force and effect and shall be as legally binding and enforceable as the original.

48. **No Signature Required by Settlement Class Members.** Only the Plaintiffs will be required to execute this Settlement Agreement. The Settlement Notice will advise all Settlement Class Members of the binding nature of the release and such shall have the same force and effect as if this Settlement Agreement were executed by each Settlement Class Member.

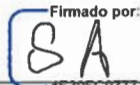
49. **Cooperation and Drafting.** The Parties have cooperated in the drafting and preparation of this Agreement; hence the drafting of this Agreement shall not be construed against any of the Parties. The Parties agree that the terms and conditions of this Agreement were negotiated at arm's length and in good faith by the Parties, and reflect a settlement that was reached voluntarily based upon adequate information and sufficient discovery and after consultation with experienced legal counsel.

50. **Governing Law.** All terms of this Settlement Agreement and the exhibits hereto shall be governed by and interpreted according to the laws of the State of California.

51. **Jurisdiction of the Court.** The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Settlement and all orders and judgments entered in connection therewith, and the Parties and their Counsel submit to the jurisdiction of the Court for this purpose.

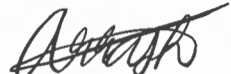
IN WITNESS WHEREOF, the Parties and their Counsel have executed this Settlement Agreement as follows:

PLAINTIFF:  2/5/2026
Date: _____
Diane De La Cruz

PLAINTIFF:  2/5/2026
Date: _____
Santos Andrade Nazario

PLAINTIFF: SIMON PEREZ 2/11/2026
Date: _____
Simone Perez Flores

APPROVED AS TO FORM BY CLASS COUNSEL:

 2/6/2026
Date: _____
Arrash T. Fattahi
Arman A. Salehi
WILSHIRE LAW FIRM

 2/11/2026
Date: _____
Harout Messrelian, Esq.
MESSRELIAN LAW INC.

DEFENDANT:  2/2/2026
Date: _____
James Nicholson Enterprises, Inc.

APPROVED AS TO FORM BY DEFENDANT'S COUNSEL:

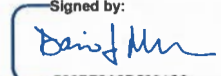
 2/2/2026, 2025
Date: _____
Daniel J. Muller
VENTURA HERSEY & MULLER, LLP

EXHIBIT A

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

Diane De La Cruz, et al. v. James Nicholson Enterprises
Santa Clara County Superior Court Case No. 23CV421709

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

You may be eligible to receive money from an employee class action lawsuit (“Action”) against James Nicholson Enterprises (“James Nicholson”) for alleged wage and hour violations. The Action was filed by former James Nicholson employees Diane De La Cruz, Simon Perez Flores, and Santos Andrade Nazario (“Plaintiffs”), and seeks payment of (1) unpaid minimum and straight time wages, (2) unpaid overtime, (3) unpaid meal period premiums, (4) unpaid rest break premiums, (5) untimely final wages, (6) inaccurate wage statements, (7) unreimbursed business expenses, and (8) unfair business practices for a class of hourly-paid or non-exempt employees (“Class Members”) who worked for James Nicholson during the Class Period (January 1, 2021 to April 3, 2025); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all hourly employees who worked for James Nicholson during the PAGA Period (September 22, 2022 to April 3, 2025) (“Aggrieved Employees”).

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

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

The above estimates are based on James Nicholson’s records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ pay periods** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

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

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

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

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against James Nicholson that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. James Nicholson must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the _____ Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on _____. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to James Nicholson’s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former James Nicholson employees. The Action accuses James Nicholson of violating California labor laws by for Failure to Pay Minimum and Straight Time Wages, Failure to Pay Overtime Wages, Failure to Provide Meal Breaks, Failure to Authorize and Permit Rest Periods, Failure to Timely Pay Final Wages at Termination, Failure to Provide Accurate Itemized Wage Statements, Failure to Indemnify Employees for Expenditures and Unfair Business Practices. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiffs are represented by attorneys in the Action (“Class Counsel.”):

Wilshire Law Firm, PLC
 Arrash T. Fattahi
 Arman A. Salehi
 660 S. Figueroa St., Sky Lobby
 Los Angeles, CA 90017

Messrelian Law Inc.
 Harout Messrelian
 101 N. Brand Blvd., Suite 1450
 Glendale, CA 91203

James Nicholson strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

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

So far, the Court has made no determination whether James Nicholson or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and James Nicholson hired an experienced, neutral mediator in an effort to resolve the Action by negotiating and to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and James Nicholson have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, James Nicholson does not admit any violations or concede the merit of any claims. Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) James Nicholson has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. James Nicholson Will Pay \$250,000 as the Gross Settlement Amount (Gross Settlement). James Nicholson has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, James Nicholson will fund the Gross Settlement not more than 14 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed as outlined in greater detail in sections 1(k) and 22(a) of the Agreement.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to 1/3 of the Gross Settlement (currently estimated to be \$83,333.33) to Class Counsel for attorneys’ fees and up to \$25,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$5,000.00 as a Class Representative Award to each named plaintiff (\$15,000.00 total) for filing the Action, working with Class Counsel and

representing the Class. A Class Representative Award will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment.

C. Up to \$8,000.00 to the Administrator for services administering the Settlement.

D. Up to \$3,600 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiffs and James Nicholson are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages ("Wage Portion") and 80% to penalties and interest ("Non-Wage Portion."). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. James Nicholson will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be sent to the Court-approved *cy pres* recipient, the Katharine & George Alexander Community Law Center, a non-profit legal services organization that assists low-income workers (the "Cy Pres Recipient"). Once your check is sent to the Cy Pres Recipient, you will have no way of recovering the settlement sum.
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for

Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against James Nicholson.

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

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

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

The Settlement Class Members release the Releasees from the following rights or claims: all claims arising between January 1, 2021 and April 3, 2025, inclusive, under state, federal, or local law, arising out of the facts pleaded in the operative Second Amended Complaint filed in the De La Cruz Action (including, but not limited to: claims for violation of Labor Code sections 201-204, 226, 226.7, 510-512, 1174, 1174.1, 1182.11, 1182.12, 1194, 1197, 1197.1, 1198 and 2699 et seq. and Business and Professions Code § 17200 et seq. and claims based on alleged violations of these Labor Code provisions) and all other claims, such as those under the California Labor Code, Wage Orders, regulations, and/or other provisions of law, that were or could have been pleaded based on the facts asserted in the Action,

including: (1) failure to pay for all hours worked; (2) failure to pay minimum wages; (3) failure to pay overtime wages; (4) failure to authorize and permit and/or make available meal and rest periods; (5) failure to provide timely and accurate itemized wage statements; (6) waiting time penalties; and (7) unlawful business practices. The enumeration of these specific statutes and theories shall neither enlarge nor narrow the scope of res judicata based on the claims that were asserted in the Action or could have been asserted in the Action based on the facts and theories alleged in any complaint on file in the Action.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and James Nicholson has paid the Gross Settlement and separately paid the employer-side payroll taxes, all Aggrieved Employees are bound by the following release:

For the State of California, and, to the extent permitted by law, the Aggrieved Employees, the PAGA release includes all claims asserted in the PAGA Notices and as alleged in the First Amended Complaint filed in the De La Cruz Action and as alleged in the Complaint for the Flores Action, for PAGA civil penalties pursuant to Labor Code sections 2699, et seq. in connection with alleged violations of Labor Code sections 201-203, 204, 226, 226.7, 510, 1182.12, 1174, 1194, 1197, 1198, and 2802 (the PAGA Released Claims").

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$900.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual PAGA Group Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in James Nicholson's records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

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

Class Members) and James Nicholson's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

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

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

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Cruz, et al. v. James Nicholson Enterprises*, Case No. 23CV421709, and include your identifying information (full name, address, telephone number, approximate dates of employment, and last four digits social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by ____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and James Nicholson are asking the Court to approve. At least 16 court days before the Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as the Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website

_____ (url) _____ or the Court's website _____ (url) _____.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object,

for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as *Cruz, et al. v. James Nicholson Enterprises*, Case No. 23CV421709, and include your name, current address, telephone number, and approximate dates of employment for James Nicholson and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at (time) in Department 19 of the Santa Clara County Superior Court, Old Courthouse (OCH), located at 161 North First Street, San Jose, California 95113. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually. For more information on how to appear at the hearing virtually, please visit (<https://santaclara.courts.ca.gov/online-services/remote-hearings>). Check the Court's website for the most current information.

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

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything James Nicholson and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to _____ (specify entity) 's website at _____ (url) . You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://santaclara.courts.ca.gov/online-services/case-information-online>), following the prompts, and entering the Case Number for the Action, Case No. 23CV421709. You can also make an appointment to personally review court documents in the Clerk's Office by calling (408) 882-2100.

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

Class Counsel:

Wilshire Law Firm, PLC

Arrash T. Fattahi
Arman A. Salehi
660 S. Figueroa St., Sky Lobby
Los Angeles, CA 90017
Phone: (213) 784-3830
arrash.fattahi@wilshirelawfirm.com
arman.salehi@wilshirelawfirm.com

Messrelian Law Inc.

Harout Messrelian
101 N. Brand Blvd., Suite 1450
Glendale, CA 91203
Phone: (818) 484-6531
hm@messrelianlaw.com

Settlement Administrator: Name
of Company:

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If you do not cash your check or request a replacement by the deadline stated on the check itself, the money will be sent to the Cy Pres Recipient. Once your check is sent to the Cy Pres Recipient, you will have no way of recovering the settlement sum.

11. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT 5



Outlook

Thank you for your Proposed Settlement Submission

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

Date Mon 3/9/2026 6:41 PM

To Courtney Miller, Esq. <courtney.miller@wilshirelawfirm.com>

03/09/2026 06:41:25 PM

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

Item submitted: Proposed Settlement

On 03/09/2026 06:41:25 PM your Proposed Settlement was successfully processed for case number LWDA-CM-983300-23

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: [https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate Attorneys General Act.htm&data=05%7C02%7Ccourtney.miller%40wilshirelawfirm.com%7C0ee94f655b254f6fd51b08de7e462bf2%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639087037030526288%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIlwLjAuMDAwMCIslIAiOiJXaW4zMilslkFOljoitWFrpbClzldUljoyfQ%3D%3D%7C0%7C%7C%7C&sdata=EKCOCZsSeL1Q0LDDi%2Fc%2WbcJARoYSFDLHYZCkkZDLM%3D&reserved=0](https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate%20Attorneys%20General%20Act.htm&data=05%7C02%7Ccourtney.miller%40wilshirelawfirm.com%7C0ee94f655b254f6fd51b08de7e462bf2%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639087037030526288%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIlwLjAuMDAwMCIslIAiOiJXaW4zMilslkFOljoitWFrpbClzldUljoyfQ%3D%3D%7C0%7C%7C%7C&sdata=EKCOCZsSeL1Q0LDDi%2Fc%2WbcJARoYSFDLHYZCkkZDLM%3D&reserved=0)

EXHIBIT 6



CLASS ACTION ADMINISTRATION SOLUTIONS

CASE ASSUMPTIONS

Class Members	250
Opt Out Rate	1%
Opt Outs Received	3
Total Class Claimants	248
Subtotal Admin Only	\$8,000.00

Not-to-Exceed Total \$8,000.00

For 225 Class Members

Pricing Good for Scope of Estimate Only

July 9, 2025

Case: De la Cruz v. James Nicholson Enterprises Opt-Out Administration wTranslation

Phoenix Contact: Jodey Lawrence

Contact Number: 949.566.1455

Email: Jodey@phoenixclassaction.com

Requesting Attorney: Fawn Bekam, Esq..

Firm: Wilshire Law Firm, PLC

Direct Tel: (213) 381-9988 Ext. 280

Email: fawn.bekam@wilshirelawfirm.com

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

Estimate is based on 225 Class Members. Class data Must be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of \$150 per hour will be charged for any additional analysis or programming. Pricing good for 90 days.

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

Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$125.00	2	\$250.00
Programming Database & Setup	\$125.00	2	\$250.00
Toll Free Setup*	\$125.65	1	\$125.65
Call Center & Long Distance	\$1.85	16	\$29.60
NCOA (USPS)	\$125.00	2	\$250.00
Total			\$905.25

* Up to 120 days after disbursement

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

Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$100.00	3	\$300.00
Data Merge & Duplication Scrub	\$0.50	250	\$125.00
Notice Packet & Opt-Out Form	\$1.25	250	\$312.50
Estimated Postage (up to 2 oz.)*	\$0.69	250	\$172.50
Static Website	\$250.00	1	\$250.00
Language Translation	\$1,000.00	1	\$1,000.00
Total			\$2,160.00

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



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Associate	\$55.00	2	\$110.00
Skip Tracing Undeliverables	\$1.25	25	\$31.25
Remail Notice Packets	\$1.25	25	\$31.25
Estimated Postage	\$0.69	25	\$17.25
Programming Undeliverables	\$50.00	1	\$50.00
Total			\$239.75

Database Programming / Processing Opt-Outs, Deficiencies or Disputes

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	\$135.00	2	\$270.00
Non Opt-Out Processing	\$100.00	1	\$100.00
Case Associate	\$55.00	3	\$165.00
Opt-Outs/Deficiency/Dispute Letters	\$10.00	6	\$62.50
Case Manager	\$85.00	3	\$255.00
Total			\$852.50

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

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	\$125.00	2	\$250.00
Disbursement Review	\$125.00	2	\$250.00
Programming Manager	\$95.00	2	\$190.00
QSF Bank Account & EIN	\$100.00	2	\$200.00
Check Run Setup & Printing	\$100.00	3	\$300.00
Mail Class Checks *	\$1.00	250	\$250.00
Estimated Postage	\$0.69	250	\$172.50
Total			\$1,612.50

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



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

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

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$125.00	2	\$250.00
Remail Undeliverable Checks (Postage Included)	\$1.50	50	\$75.00
Case Associate	\$55.00	3	\$165.00
Reconcile Uncashed Checks	\$85.00	2	\$170.00
Conclusion Reports	\$75.00	2	\$150.00
Case Manager Conclusion	\$85.00	2	\$170.00
Final Reporting & Declarations	\$125.00	2	\$250.00
IRS & QSF Annual Tax Reporting * (1 State Tax Reporting Included)	\$1,000.00	1	\$1,000.00
Total			\$2,230.00

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

Estimate Total: \$8,000.00



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

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

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

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

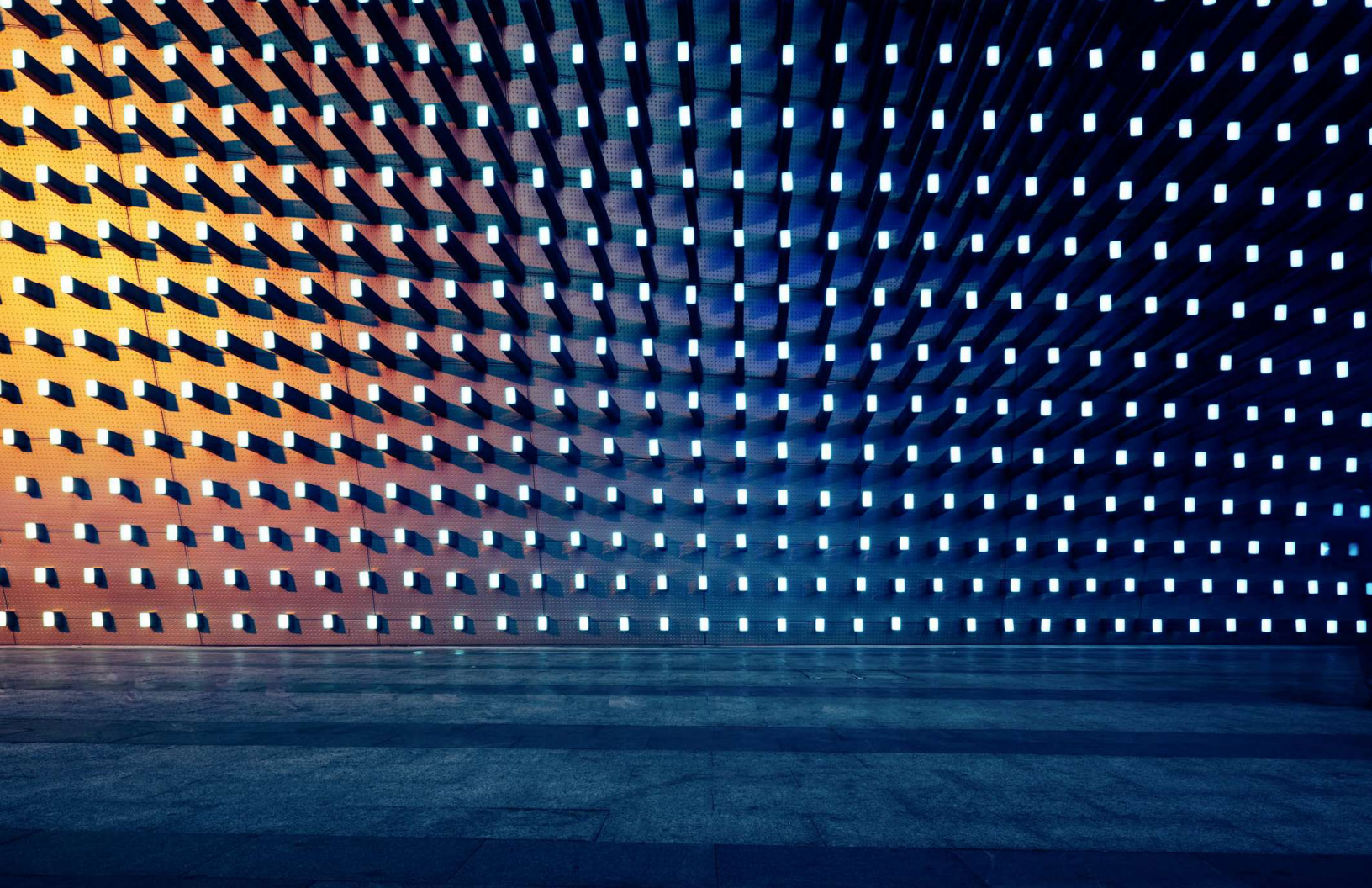
Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client.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

Tax Reporting Requirements

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

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

EXHIBIT 7



ELM Solutions

2022 Real Rate Report[®]

The industry's leading
analysis of law firm rates,
trends, and practices

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Report Use Considerations

2022 Real Rate Report

- Examines law firm rates over time
- Identifies rates by location, experience, firm size, areas of expertise, industry, and timekeeper role (i.e., partner, associate, and paralegal)
- Itemizes variables that drive rates up or down

All the analyses included in the report derive from the actual rates charged by law firm professionals as recorded on invoices submitted and approved for payment.

Examining real, approved rate information, along with the ranges of those rates and their changes over time, highlights the role these variables play in driving aggregate legal cost and income. The analyses can energize questions for both corporate clients and law firm principals.

Clients might ask whether they are paying the right amount for different types of legal services, while law firm principals might ask whether they are charging the right amount for legal services and whether to modify their pricing approach.

Some key factors¹ that drive rates²:

Attorney location - Lawyers in urban and major metropolitan areas tend to charge more when compared with lawyers in rural areas or small towns.

Litigation complexity - The cost of representation will be higher if the case is particularly complex or time-consuming; for example, if there are a large number of documents to review, many witnesses to depose, and numerous procedural steps, the case is likely to cost more (regardless of other factors like the lawyer's level of experience).

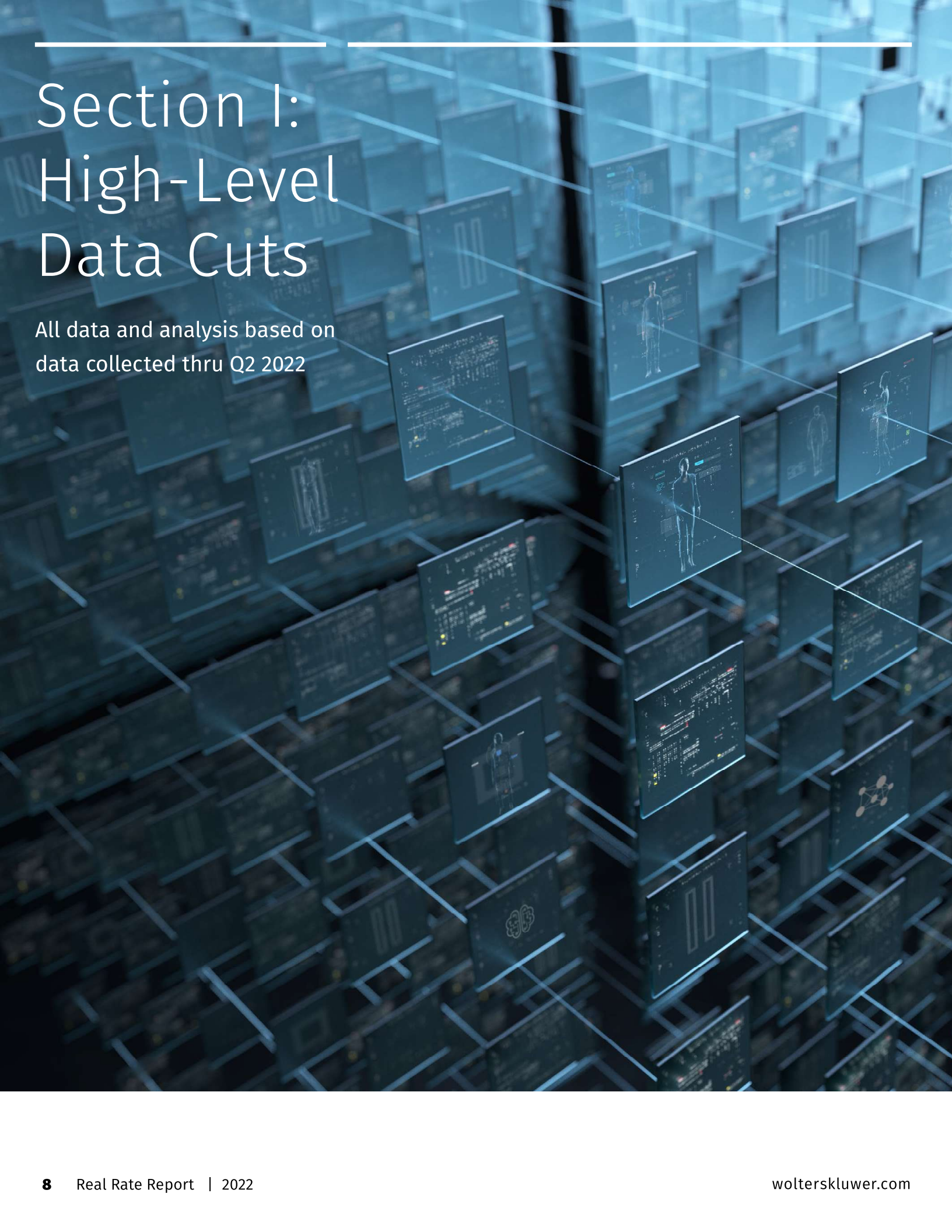
Years of experience and reputation - A more experienced, higher-profile lawyer is often going to charge more, but absorbing this higher cost at the outset may make more sense than hiring a less expensive lawyer who will likely take time and billable hours to come up to speed on unfamiliar legal and procedural issues.

Overhead - The costs associated with the firm's support network (paralegals, clerks, and assistants), document preparation, consultants, research, and other expenses.

Firm size - The rates can increase if the firm is large and has various timekeeper roles at the firm. For example, the cost to work with an associate or partner at a larger firm will be higher compared to a firm that has one to two associates and a paralegal.

¹ David Goguen, J.D., University of San Francisco School of Law (2020) Guide to Legal Services Billing Retrieved from: <https://www.lawyers.com/legal-info/research/guide-to-legal-services-billing-rates.html>

² Source: 2018 RRR. Factor order validated in multiple analyses since 2010

The background is a dark blue, abstract digital space. It features a perspective grid of lines that recede into the distance. Numerous rectangular cards, resembling data screens or sticky notes, are scattered throughout the space, appearing to float or be attached to the grid. These cards display various types of information: some show human silhouettes with internal diagrams, others show bar charts, line graphs, and tables of data. The overall aesthetic is high-tech and data-driven.

Section I: High-Level Data Cuts

All data and analysis based on
data collected thru Q2 2022

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

City	Matter Type	Role	n	First Quartile	Median	Third Quartile	2022	2021	2020
Jackson MS	Litigation	Associate	56	\$55	\$225	\$250	\$178	\$203	\$175
	Non-Litigation	Partner	24	\$315	\$420	\$485	\$418	\$394	\$375
		Associate	25	\$55	\$126	\$255	\$155	\$125	\$259
Kansas City MO	Litigation	Partner	74	\$413	\$450	\$556	\$472	\$450	\$450
		Associate	50	\$252	\$329	\$385	\$319	\$316	\$305
	Non-Litigation	Partner	101	\$411	\$487	\$615	\$519	\$487	\$464
		Associate	73	\$250	\$320	\$385	\$322	\$312	\$285
Las Vegas NV	Non-Litigation	Partner	20	\$350	\$425	\$525	\$440	\$422	\$432
		Associate	11	\$238	\$267	\$368	\$301	\$297	\$282
Little Rock AR	Non-Litigation	Partner	11	\$215	\$215	\$308	\$264	\$256	\$298
Los Angeles CA	Litigation	Partner	322	\$516	\$725	\$1,045	\$799	\$739	\$702
		Associate	408	\$400	\$615	\$855	\$642	\$606	\$564
	Non-Litigation	Partner	521	\$596	\$868	\$1,201	\$903	\$902	\$858
		Associate	667	\$441	\$603	\$845	\$653	\$712	\$648

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

City	Matter Type	Role	n	First Quartile	Median	Third Quartile	2022	2021	2020
Minneapolis MN	Non-Litigation	Associate	83	\$340	\$421	\$528	\$425	\$408	\$384
Nashville TN	Litigation	Partner	24	\$275	\$320	\$456	\$363	\$378	\$403
	Non-Litigation	Partner	78	\$412	\$484	\$576	\$505	\$481	\$470
		Associate	59	\$270	\$330	\$384	\$340	\$315	\$285
New Orleans LA	Litigation	Partner	47	\$290	\$332	\$412	\$343	\$330	\$340
		Associate	42	\$231	\$243	\$340	\$278	\$290	\$275
	Non-Litigation	Partner	32	\$295	\$347	\$405	\$419	\$380	\$391
		Associate	21	\$244	\$250	\$278	\$273	\$303	\$258
New York NY	Litigation	Partner	614	\$475	\$675	\$1,088	\$808	\$784	\$746
		Associate	631	\$323	\$460	\$729	\$545	\$527	\$509
	Non-Litigation	Partner	1,376	\$765	\$1,235	\$1,638	\$1,189	\$1,139	\$1,090
		Associate	1,809	\$550	\$776	\$1,050	\$796	\$766	\$716
Oklahoma City OK	Non-Litigation	Partner	14	\$235	\$338	\$393	\$337	\$319	\$311
Omaha NE	Litigation	Partner	12	\$293	\$339	\$353	\$329	\$338	\$341

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

City	Matter Type	Role	n	First Quartile	Median	Third Quartile	2022	2021	2020
Rochester NY	Non-Litigation	Partner	12	\$270	\$360	\$488	\$386	\$341	\$446
		Associate	13	\$220	\$310	\$375	\$314	\$278	\$287
Sacramento CA	Non-Litigation	Partner	11	\$381	\$437	\$682	\$534	\$559	\$516
Salt Lake City UT	Litigation	Partner	14	\$246	\$353	\$468	\$363	\$333	\$379
	Non-Litigation	Partner	42	\$297	\$371	\$447	\$391	\$363	\$353
		Associate	22	\$220	\$240	\$270	\$248	\$247	\$228
	Litigation	Associate	23	\$151	\$225	\$300	\$255	\$258	\$264
San Diego CA	Non-Litigation	Partner	89	\$332	\$540	\$1,066	\$699	\$667	\$649
		Associate	71	\$250	\$325	\$424	\$373	\$378	\$351
	Litigation	Partner	143	\$423	\$675	\$995	\$742	\$711	\$691
San Francisco CA	Non-Litigation	Partner	221	\$475	\$750	\$950	\$758	\$746	\$741
		Associate	151	\$338	\$486	\$702	\$545	\$563	\$507
	Litigation	Partner	33	\$654	\$921	\$1,133	\$916	\$907	\$864
		Associate	98	\$325	\$430	\$731	\$525	\$517	\$470
San Jose CA	Litigation	Partner	33	\$654	\$921	\$1,133	\$916	\$907	\$864

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

City	Matter Type	Role	n	First Quartile	Median	Third Quartile	2022	2021	2020
San Jose CA	Litigation	Associate	22	\$461	\$580	\$745	\$608	\$593	\$498
	Non-Litigation	Partner	50	\$660	\$864	\$1,303	\$969	\$985	\$887
		Associate	46	\$380	\$460	\$775	\$616	\$639	\$567
Seattle WA	Litigation	Partner	76	\$497	\$655	\$760	\$635	\$567	\$510
		Associate	61	\$394	\$468	\$530	\$447	\$453	\$395
	Non-Litigation	Partner	148	\$410	\$526	\$760	\$571	\$547	\$547
		Associate	113	\$310	\$395	\$502	\$422	\$401	\$377
St. Louis MO	Litigation	Partner	46	\$260	\$350	\$435	\$376	\$373	\$388
		Associate	17	\$197	\$225	\$250	\$228	\$237	\$232
	Non-Litigation	Partner	57	\$352	\$419	\$540	\$451	\$446	\$473
Tampa FL	Litigation	Partner	31	\$369	\$508	\$595	\$490	\$467	\$452
		Associate	15	\$269	\$298	\$368	\$316	\$302	\$306
Trenton NJ	Non-Litigation	Partner	21	\$408	\$600	\$700	\$569	\$620	\$581
		Associate	12	\$480	\$495	\$500	\$448	\$376	\$387

Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Associate

Trend Analysis - Mean

City	Years of Experience	n	First Quartile	Median	Third Quartile	2022	2021	2020
Kansas City MO	3 to Fewer Than 7 Years	15	\$270	\$325	\$360	\$318	\$295	\$283
	7 or More Years	28	\$292	\$334	\$391	\$333	\$312	\$302
Los Angeles CA	Fewer Than 3 Years	63	\$429	\$595	\$654	\$556	\$524	\$488
	3 to Fewer Than 7 Years	144	\$486	\$688	\$838	\$662	\$626	\$530
	7 or More Years	171	\$351	\$550	\$840	\$600	\$634	\$586
Miami FL	3 to Fewer Than 7 Years	19	\$300	\$360	\$457	\$380	\$331	\$313
	7 or More Years	36	\$295	\$450	\$595	\$460	\$433	\$385
Minneapolis MN	Fewer Than 3 Years	11	\$374	\$405	\$446	\$408		\$230
	3 to Fewer Than 7 Years	27	\$340	\$451	\$510	\$421	\$358	\$356
	7 or More Years	27	\$423	\$468	\$585	\$478	\$438	\$392
Nashville TN	7 or More Years	12	\$219	\$245	\$345	\$282	\$266	\$262
New Orleans LA	3 to Fewer Than 7 Years	12	\$232	\$243	\$265	\$261	\$242	\$245
	7 or More Years	18	\$243	\$312	\$343	\$306	\$318	\$294
New York NY	Fewer Than 3 Years	142	\$443	\$622	\$775	\$629	\$600	\$652

Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Partner

Trend Analysis - Mean

City	Years of Experience	n	First Quartile	Median	Third Quartile	2022	2021	2020
Kansas City MO	Fewer Than 21 Years	46	\$400	\$450	\$537	\$473	\$411	\$397
	21 or More Years	68	\$440	\$553	\$658	\$539	\$497	\$491
Las Vegas NV	Fewer Than 21 Years	12	\$284	\$381	\$495	\$389	\$349	\$343
	21 or More Years	13	\$350	\$425	\$515	\$468	\$456	\$472
Los Angeles CA	Fewer Than 21 Years	183	\$533	\$801	\$1,075	\$804	\$797	\$682
	21 or More Years	333	\$550	\$765	\$1,133	\$863	\$842	\$808
Memphis TN	Fewer Than 21 Years	14	\$288	\$331	\$380	\$345	\$317	\$328
	21 or More Years	15	\$355	\$415	\$425	\$394	\$382	\$375
Miami FL	Fewer Than 21 Years	57	\$370	\$450	\$598	\$490	\$498	\$443
	21 or More Years	104	\$388	\$581	\$749	\$584	\$580	\$536
Milwaukee WI	21 or More Years	16	\$302	\$454	\$613	\$589	\$515	\$530
Minneapolis MN	Fewer Than 21 Years	36	\$470	\$530	\$607	\$532	\$486	\$499
	21 or More Years	84	\$507	\$675	\$796	\$656	\$620	\$589
Nashville TN	Fewer Than 21 Years	28	\$375	\$405	\$535	\$449	\$405	\$397

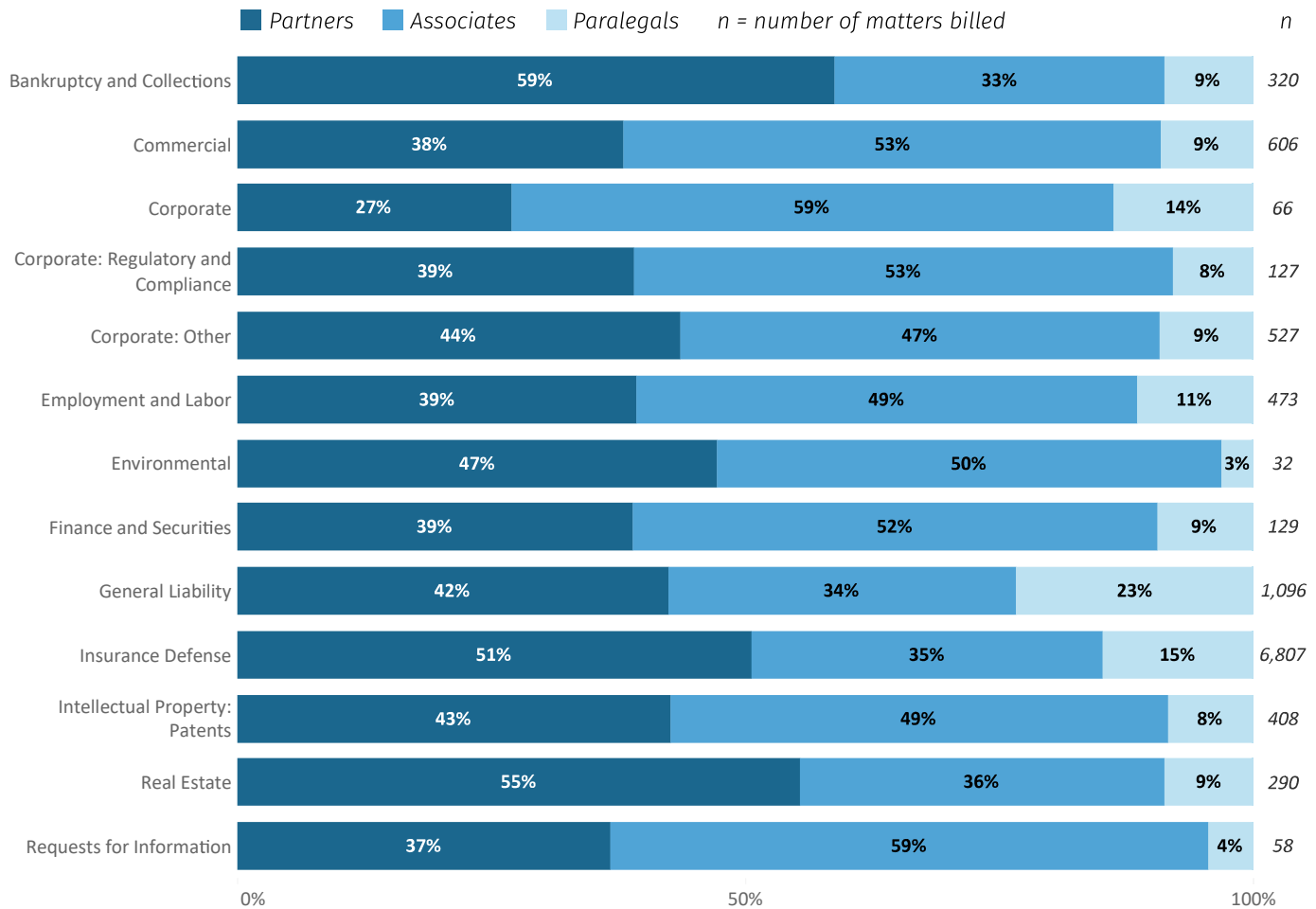
Section VI: Matter Staffing Analysis

All data and analysis based on
data collected thru Q2 2022

Section VI: Matter Staffing Analysis

Long Litigation Matters, More Than 100 Total Hours Billed

2019 to 2022 -- Percentage of Hours Billed per Matter



Section VII: Data Methodology

All data and analysis based on
data collected thru Q2 2022

Appendix: Data Methodology

Invoice Information

Data in Wolters Kluwer ELM Solutions' reference database and the 2022 Real Rate Report were taken from invoice line-item entries contained in invoices received and approved by participating companies.

Invoice data were received in the Legal Electronic Data Exchange Standard (LEDES) format (LEDES.org). The following information was extracted from those invoices and their line items:

- Law firm (which exists as a random number in the ELM Solutions reference database)
- Timekeeper ID (which exists as a random number in the ELM Solutions reference database)
- Matter ID (which exists as a random number in the ELM Solutions reference database)
- Timekeeper's position (role) within the law firm (partner, associate, paralegal, etc.)
- Uniform Task-Based Management System Code Set, Task Codes, and Activity Codes (UTBMS.com)
- Date of service
- Hours billed
- Hourly rate billed
- Fees billed

Non-Invoice Information

To capture practice area details, the matter ID within each invoice was associated with matter profiles containing areas of work in the systems of each company. The areas of work were then systematically categorized into legal practice areas. Normalization of practice areas was done based on company mappings to system-level practice areas available in the ELM Solutions system and by naming convention.

The majority of analyses included in this report have been mapped to one of 11 practice areas, further divided into sub-areas and litigation/non-litigation (for more information on practice areas and sub-areas, please refer to pages 232-234).

To capture location and jurisdiction details, law firms and timekeepers were systematically mapped to the existing profiles within ELM Solutions systems, as well as with publicly available data sources for further validation and normalization. Where city location information is provided, it includes any address within that city's defined Core-Based Statistical Area (CBSA) as defined by the Office of Management and Budget (OMB). The CBSAs are urban centers with populations of 10,000 or more and include all adjacent counties that are economically integrated with that urban center.

Where the analyses focus on partners, associates, and paralegals, the underlying data occasionally included some sub-roles, such as "senior partner" or "junior associate." In such instances, those timekeeper sub-roles were placed within the broader partner, associate, and paralegal segments.

Demographics regarding law firm size, location, and lawyer years of experience were augmented by incorporating publicly available information.

Appendix: Data Methodology

A Note on US Cities

Principal City	CBSA Name
Hartford, CT	Hartford-East Hartford-Middletown, CT
Honolulu, HI	Urban Honolulu HI
Houston, TX	Houston-The Woodlands-Sugar Land, TX
Indianapolis, IN	Indianapolis-Carmel-Anderson, IN
Jackson, MS	Jackson, MS
Jacksonville, FL	Jacksonville, FL
Kansas City, MO	Kansas City, MO-KS
Lafayette, LA	Lafayette, LA
Las Vegas, NV	Las Vegas-Henderson-Paradise, NV
Lexington, KY	Lexington-Fayette, KY
Little Rock, AR	Little Rock-North Little Rock-Conway, AR
Los Angeles, CA	Los Angeles-Long Beach-Anaheim, CA
Louisville, KY	Louisville/Jefferson County, KY-IN
Madison, WI	Madison, WI
Memphis, TN	Memphis-Forrest City, TN-MS-AR
Miami, FL	Miami-Fort Lauderdale-Pompano Beach, FL
Milwaukee, WI	Milwaukee-Waukesha, WI
Minneapolis, MN	Minneapolis-St. Paul-Bloomington, MN-WI
Nashville, TN	Nashville-Davidson-Murfreesboro-Franklin, TN
New Haven, CT	New Haven-Milford, CT
New Orleans, LA	New Orleans-Metairie, LA
New York, NY	New York-Newark-Jersey City, NY-NJ-PA
Oklahoma City, OK	Oklahoma City, OK
Omaha, NE	Omaha-Council Bluffs, NE-IA
Orlando, FL	Orlando-Kissimmee-Sanford, FL
Philadelphia, PA	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD
Phoenix, AZ	Phoenix-Mesa-Chandler, AZ
Pittsburgh, PA	Pittsburgh, PA
Portland, ME	Portland-South Portland, ME
Portland, OR	Portland-Vancouver-Hillsboro, OR-WA
Providence, RI	Providence-Warwick, RI-MA
Raleigh, NC	Raleigh-Cary, NC
Reno, NV	Reno-Carson City-Fernley, NV

Appendix: Data Methodology

Bankruptcy and Collections

Chapter 11
Collections

General/Other
Workouts and Restructuring

Commercial (Commercial Transactions and Agreements)

Contract Breach or Dispute
General, Drafting, and Review
General/Other

Corporate¹

Antitrust and Competition
Corporate Development
General/Other
Governance
Information and Technology
Mergers, Acquisitions, and Divestitures

Partnerships and Joint Ventures
Regulatory and Compliance
Tax
Treasury
White Collar/Fraud/Abuse

Employment and Labor

ADA
Agreements
Compensation and Benefits
Discrimination, Retaliation, and Harassment/EEO
Employee Dishonesty/Misconduct
ERISA

General/Other
Immigration
Union Relations and Negotiations/NLRB
Wages, Tips, and Overtime
Wrongful Termination

Environmental

General/Other
Health and Safety

Superfund
Waste/Remediation

Finance and Securities

Commercial Loans and Financing
Debt/Equity Offerings
Fiduciary Services
General/Other

Investments and Other Financial Instruments
Loans and Financing
SEC Filings and Financial Reporting
Securities and Banking Regulations

General Liability

Asbestos/Mesothelioma
Auto and Transportation
Consumer Related Claims
Crime, Dishonesty and Fraud
General/Other

Personal Injury/Wrongful Death
Premises
Product and Product Liability
Property Damage
Toxic Tort

¹ All references to “Corporate: General/Other” in the Real Rate Report are the aggregation of all Corporate sub-areas excluding the Mergers, Acquisitions, and Divestitures sub-area and the Regulatory and Compliance sub-area.

EXHIBIT 8

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Business & Practice

Big Law Rates Topping \$2,000 Leave Value ‘In Eye of Beholder’

By Roy Strom

Column

June 9, 2022, 2:30 AM

Welcome back to the Big Law Business column on the changing legal marketplace written by me, Roy Strom. Today, we look at a new threshold for lawyers' billing rates and why it's so difficult to put a price on high-powered attorneys. Sign up to receive this column in your inbox on Thursday mornings. Programming note: Big Law Business will be off next week.

Some of the nation's top law firms are charging more than \$2,000 an hour, setting a new pinnacle after a two-year burst in demand.

Partners at Hogan Lovells and Latham & Watkins have crossed the threshold, according to court documents in bankruptcy cases filed within the past year.

Other firms came close to the mark, billing more than \$1,900, according to the documents. They include Kirkland & Ellis, Simpson Thacher & Bartlett, Boies Schiller Flexner, and Sidley Austin.

Simpson Thacher & Bartlett litigator Bryce Friedman, who helps big-name clients out of jams, especially when they're accused of fraud, charges \$1,965 every 60 minutes, according to a court document.

In need of a former acting US Solicitor General? Hogan Lovells partner Neal Katyal bills time at \$2,465 an hour. Want to hire famous litigator David Boies? That'll cost \$1,950 an hour (at least). Reuters was first to report their fees.

Eye-watering rates are nothing new for Big Law firms, which typically ask clients to pay higher prices at least once a year, regardless of broader market conditions.

"Value is in the eye of the beholder," said John O'Connor, a San Francisco-based expert on legal fees. "The perceived value of a good lawyer can reach into the multi-billions of dollars."

Kirkland & Ellis declined to comment on its billing rates. None of the other firms responded to requests to comment.

Charge It Up

Big Law firms are crossing the \$2,000-an-hour threshold after two years of surging rates driven by an increase in demand for lawyers.

Firm	Highest Billing Rate
Hogan Lovells	\$2,465
Latham & Watkins	\$2,075
Kirkland & Ellis	\$1,995
Simpson Thacher & Bartlett	\$1,965
Boies Schiller Flexner	\$1,950
Sidley Austin	\$1,900

Source: Court documents

Bloomberg Law

Law firms have been more successful raising rates than most other businesses over the past 15 years.

Law firm rates rose by roughly 40 percent from 2007 to 2020, or just short of 3 percent per year, Thomson Reuters Peer Monitor data show. US inflation rose by about 28% during that time.

The 100 largest law firms in the past two years achieved their largest rate increases in more than a decade, Peer Monitor says. The rates surged more than 6% in 2020 and grew another 5.6% through November of last year. Neither level had been breached since 2008.

The price hikes occurred during a once-in-a-decade surge in demand for law services, which propelled profits at firms to new levels. Fourteen law firms reported average profits per equity partner in 2021 over \$5 million, according to data from The American Lawyer. That was up from six the previous year.

The highest-performing firms, where lawyers charge the highest prices, have outperformed their smaller peers. Firms with leading practices in markets such as mergers and acquisitions, capital markets, and real estate were forced to turn away work at some points during the pandemic-fueled surge.

Firms receive relatively tepid pushback from their giant corporate clients, especially when advising on bet-the-company litigation or billion-dollar deals.

The portion of bills law firms collected—a sign of how willingly clients pay full-freight—rose during the previous two years after drifting lower following the Great Financial Crisis. Collection rates last year breached 90% for the first time since 2009, Peer Monitor data show.

Professional rules prohibit lawyers from charging “unconscionable” or “unreasonable” rates. But that doesn’t preclude clients from paying any price they perceive as valuable, said Jacqueline Vinaccia, a San Diego-based lawyer who testifies on lawyer fee disputes.

Lawyers’ fees are usually only contested when they will be paid by a third party.

That happened recently with Hogan Lovells’ Katyal, whose nearly \$2,500 an hour fee was contested in May by a US trustee overseeing a bankruptcy case involving a Johnson & Johnson unit facing claims its talc-based powders caused cancer.

The trustee, who protects the financial interests of bankruptcy estates, argued Katyal’s fee was more than \$1,000 an hour higher than rates charged by lawyers in the same case at Jones Day and Skadden Arps Slate Meagher & Flom.

A hearing on the trustee’s objection is scheduled for next week. Hogan Lovells did not respond to a request for comment on the objection.

Vinaccia said the firm’s options will be to reduce its fee, withdraw from the case, or argue the levy is reasonable, most likely based on Katyal’s extensive experience arguing appeals.

Still, the hourly rate shows just how valuable the most prestigious lawyers’ time can be—even compared to their highly compensated competitors.

“If the argument is that Jones Day and Skadden Arps are less expensive, then you’re already talking about the cream of the crop, the top-of-the-barrel law firms,” Vinaccia said. “I can’t imagine a case in which I might argue those two firms are more reasonable than the rates I’m dealing with.”

Worth Your Time

On Cravath: Cravath Swaine & Moore is heading to Washington, opening its first new office since 1973 by hiring former heads of the U.S. Securities and Exchange Commission and Federal Deposit Insurance Corporation. Meghan Tribe reports the move comes as Big Law firms are looking to add federal government expertise as clients face more regulatory scrutiny.

On Big Law Promotions: It’s rare that associates get promotions to partner in June, but Camille Vasquez is now a Brown Rudnick partner after she shot to fame representing Johnny Depp in his defamation trial against ex-wife Amber Heard.

On Working From Home: I spoke this week with Quinn Emanuel’s John Quinn about why he thinks law firm life is never going back to the office-first culture that was upset by the pandemic. Listen to the podcast [here](#).



That's it for this week! Thanks for reading and please send me your thoughts, critiques, and tips.

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Documents

[Trustee's Objection](#)

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