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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

TEDDY LAWRENCE DREHER, on
behalf of himself and all others similarly
situated, and the general public,

Plaintiffs,

v.

CENTER FOR EMPLOYMENT
OPPORTUNITIES, INC., a New York
corporation; and DOES 1 through 50,
inclusive,

Defendants.

CLASS ACTION

Case No. 23CV007758

Assigned for All Purposes To:

Honorable Lauri Damrell

Dept. 22

**DECLARATION OF ENOCH J. KIM
IN SUPPORT OF PLAINTIFFS'
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION AND
PAGA SETTLEMENT**

Date: July 17, 2026

Time: 9:00 a.m.

Dept.: 22

Action filed: September 1, 2023

FAC filed: July 9, 2024

Trial: None Set

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I, Enoch J. Kim, declare as follows:

1. I am an attorney licensed and admitted to practice before all courts of the State of California and the United States District Court for the Central, Southern, Eastern, and Northern Districts of California. I have reviewed the Court's "Checklist for Approval of Class Action and PAGA Settlements" and Local Rule 2.99.05 and submit that Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement complies with the Checklist.

2. I am Senior Counsel at D.Law, Inc. All of the matters set forth herein are within my personal knowledge. I submit this Declaration in support of Plaintiffs' Motion for Preliminary Approval of Class and PAGA Settlement ("Motion"). A true and correct copy of the Class Action and PAGA Settlement Agreement and Class Notice ("Settlement Agreement" or "Settlement") is attached hereto as **Exhibit 1**. Plaintiffs Teddy Lawrence Dreher ("Plaintiff Dreher"), Cutrenia M. Saxon ("Plaintiff Saxon"), Curtisha Holden ("Plaintiff Holden"), and Luke Perry ("Plaintiff Perry") (collectively, "Plaintiffs"), on behalf of themselves and other similarly situated employees of Defendant Center for Employment Opportunities, ("Defendant") (Plaintiffs and Defendant are collectively referred to herein as "the Parties") submit this Motion and Settlement for court approval.

Procedural History

3. Plaintiffs worked as hourly, non-exempt employees for Defendant and seek to represent approximately 6,728 current and former California hourly, non-exempt employees of Defendant in California during the Class Period. Defendant is a New York-based nonprofit organization, which provides comprehensive and training services for individuals returning from incarceration. Defendant has operations in San Jose, California.

4. On September 1, 2023, Plaintiff Dreher commenced this Action by filing a complaint in the Superior Court of California, County of Sacramento, alleging causes of action against Defendant for violation of the Labor Code and the Wage Order for (1) Failure to Provide Rest Periods; (2) Failure to Provide Rest Periods; (3) Failure to Pay Hourly Wages and Overtime; (4) Failure to Pay Proper Reporting Time Wages, (5) Failure to Pay Proper Sick Pay,

(6) Failure to Provide Accurate Written Wage Statements, (7) Failure to Pay All Wages Upon Termination, (8) Failure to Indemnify; and (9) Unfair Competition in violation of California Business and Professions Code section 17200, et. seq. (the “Dreher Action”). On November 1, 2023, the Dreher Action was removed to the United States District Court, Eastern District of California, and assigned Case No.: 2:23-cv-02515-JDP. On September 1, 2023, Plaintiff Dreher submitted a PAGA notice (LWDA-CM-979082-23) to the Labor and Workforce Development Agency (“LWDA”). A true and correct copy of the PAGA notice is attached hereto as Exhibit 2. On November 16, 2023, Plaintiff Dreher filed a First Amended Complaint in United States District Court Eastern District of California, Case No. 2:23-cv-02515-DAD-JDP adding a cause of action against Defendant for civil penalties for violation of PAGA.

5. On January 23, 2024, Plaintiff Perry commenced an action against Defendant titled *Luke Perry v. Center for Employment Opportunities*, in the Superior Court of the State of California, County of Riverside, (“Perry Action”) wherein Plaintiff Perry alleged similar overlapping theories of liability as Plaintiff Dreher. On the same date, Plaintiff Perry also submitted a PAGA letter to the LWDA. On March 5, 2024, the Perry Action was removed to the United States District Court Eastern District of California, Case No. 24-cv-00489-KK-SP. On January 25, 2024, Plaintiff Holden commenced an action against Defendant titled *Curtisha Holden v. Center for Employment Opportunities*, in Alameda County Superior Court, wherein Plaintiff Holden alleged similar overlapping theories of liability as Plaintiff Dreher (“Holden Action”). Plaintiff Holden submitted her PAGA letter to the LWDA on October 24, 2023. On March 1, 2024, the Holden Action was removed to the United States District Court Northern District of California, Case No. 3:24-cv-01269. On June 28, 2024, Plaintiffs filed a consolidated Second Amended Complaint in the Dreher Action (the “Operative Complaint”), adding Plaintiffs Saxon, Holden, and Perry as named plaintiffs. Plaintiffs Perry and Holden subsequently dismissed both the Perry Action and the Holden Action.

6. Plaintiffs contend that Defendant violated California’s wage and hour laws by failing to provide meal periods, failing to provide rest periods, failing to pay hourly wages and overtime, failing to pay reporting time wages, failing to pay sick pay, failing to provide accurate

1 written wage statements, failing to timely pay all final wages, failing to reimburse for business
2 related expenses, violating California Business & Professions Code sections 17200, *et seq.*, and
3 incurring penalties under PAGA.

4 **Investigation**

5 7. Before filing the lawsuit, Class Counsel conducted a thorough investigation and
6 researched the facts and circumstances underlying the pertinent issues and applicable law. This
7 required thorough discussions and interviews between Class Counsel and Plaintiffs, in addition
8 to the above-described research into the various legal issues involved in the case. After filing the
9 lawsuit, Class Counsel conducted a thorough investigation of the facts and claims giving rise to
10 the action, including (1) conducting formal and informal discovery and meeting and conferring
11 with defense counsel about same; (2) reviewing and analyzing records and data, as well as
12 employment-related policies; (3) reviewing Plaintiffs' personnel files and other documentation;
13 (4) interviewing Plaintiffs regarding potential Class Members; (5) researching the applicable law
14 and potential defenses; (6) constructing damage models based on interpretations of California
15 law and the facts and numbers provided by Defendant; and (7) reviewing information provided
16 by Defendant in response to formal and multiple rounds of informal discovery and in advance of
17 the mediation. The Parties conducted their own evaluations of the potential recoveries based on
18 the claims alleged in the Action, including consulting experts.

19 8. Defendant, for its part, vigorously contested liability, the amount of claimed
20 damages, and the propriety of class certification. After analyzing the relevant documents and
21 other gathered data, Class Counsel believed that these matters were appropriate for resolution via
22 mediation. Given the high level of risk present for both sides, the Parties elected to mediate
23 Plaintiffs' claims and attempt settlement.

24 **Settlement Efforts**

25 9. On July 2, 2024, the Parties attended an all-day mediation session with Brandon
26 McKelvey, Esq., an experienced litigator and mediator in the field of wage and hour class
27 actions. Counsel for Plaintiffs and Defendant discussed all aspects of the case, including the risks
28 of continued litigation and the risks to all parties of proceeding with a class certification motion,

as well as the merits of the primary claims in this case. Following mediation, the Parties continued to work together on a long-form Settlement Agreement, which resulted in the Settlement Agreement before the Court for approval.

10. From Class Counsel's review of the facts, strengths, and weaknesses of the case and the risks and delays posed by further litigation, Class Counsel believe that the recovery for each Class Member is fair and reasonable. Further, the Settlement Agreement was the product of a non-collusive settlement process in which the Parties were forced to make significant compromises in the interest of reaching a full and complete settlement of the lawsuit.

Summary of the Settlement

11. Under the terms of the proposed Settlement Agreement, Defendant has agreed to pay a Gross Settlement Amount of \$2,299,500.00 on a non-reversionary basis. (Exhibit 1, Settlement Agreement, ¶¶ 3.1, 4.3.) In addition to and separate from the Gross Settlement Amount, Defendant will pay the employers' portion of any payroll taxes on the wage allocation portion of the individual settlement payments to Class Members. The Settlement Agreement defines the "Class" as, "all persons employed by Defendant in hourly, non-exempt positions in California during the Class Period," which is September 16, 2021, through March 7, 2025. (Exhibit 1, Settlement Agreement, ¶¶ 1.5, 1.12.) The Settlement Agreement also defines "Aggrieved Employees" as, "a person employed by Defendant in California as a nonexempt, hourly employee during the PAGA Period," which is September 1, 2022, through March 7, 2025. (Exhibit 1, Settlement Agreement, ¶¶ 1.4, 1.31.) The "Net Settlement Amount," available for distribution to Class Members, is the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the LWDA PAGA Payment, Individual PAGA Payments, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments. (Exhibit 1, Settlement Agreement, ¶ 1.28.). These amounts are detailed as follows:

- Class Counsel's Fees and Litigation Expenses Payment: Up to one-third of the Gross Settlement Amount, or **\$766,500.00**, to Class Counsel as attorneys' fees for the litigation

and resolution of this Action and up to **\$40,000.00** for actual costs incurred in this Action.
(Exhibit 1, Settlement Agreement, ¶ 3.2.2.);

- Class Representative Service Awards to Named Plaintiffs: Up to **\$10,000.00** to each Plaintiff as an award for their service on behalf of the Class as a class representative (Exhibit 1, Settlement Agreement, ¶ 3.2.1.);
- Administration Expense Payment: A not-to-exceed amount of **\$40,000.00** to the Settlement Administrator for its costs of administration of the Settlement (Exhibit 1, Settlement Agreement, ¶ 3.2.3.);
- PAGA Payment: **\$100,000.00** for settlement of claims for civil penalties under PAGA, with 25% (\$25,000.00) allocated to the Aggrieved Employees for Individual PAGA Payments and 75% (\$75,000.00) allocated to the LWDA as the LWDA PAGA Payment (Exhibit 1, Settlement Agreement, ¶ 3.2.5.)

12. If the Court approves the above allocations from the Gross Settlement Amount, the Net Settlement Amount is estimated to be **\$1,313,000.00**. The “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period. (Exhibit 1, Settlement Agreement, ¶ 1.23.) Each Participating Class Member’s “Individual Class Payment” shall be calculated by the Settlement Administrator using the following formula: (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period, and (b) multiplying the result by each individual Participating Class Member’s Workweeks. (Exhibit 1, Settlement Agreement, ¶ 3.2.4.) Fifteen percent (15%) of each Participating Class Member’s Individual Class Payment will be allocated to settlement of wage claims (the “Wage Portion”). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. (Exhibit 1, Settlement Agreement, ¶ 3.2.4.1.) For the approximately 6,728 Class Members (if no exclusions), the average Gross Individual Class Settlement Payment, using a straight average, is \$195.17. The estimated average amount each Class Member will receive per workweek based on the Net Settlement Amount and 92,006 workweeks is \$14.27.

1 13. Not later than 15 days after the Court grants preliminary approval of the
2 Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a
3 Microsoft Excel spreadsheet. (Exhibit 1, Settlement Agreement, ¶ 4.2.) Using best efforts to
4 perform as soon as possible, and in no event later than 14 (fourteen) days after receiving the
5 Class Data, the Administrator will send to all 6,728 Class Members identified in the Class Data,
6 via first-class United States Postal Service (“USPS”) mail and email, the Class Notice with
7 Spanish translation. (Exhibit 1, Settlement Agreement, ¶ 7.4.2.) The Class Notice includes a
8 summary of the case and settlement terms and provides Class Members with detailed instructions
9 on how to exclude themselves, object to the settlement, and dispute the number of workweeks
10 and/or pay periods attributed to each Class Member per Defendant’s records. (Exhibit 1, Exhibit
11 A, Class Notice). Not later than three (3) business days after the Administrator’s receipt of any
12 Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class
13 Notice using any forwarding address provided by the USPS. (Exhibit 1, Settlement Agreement, ¶
14 7.4.3.) If the USPS does not provide a forwarding address, the Administrator shall conduct a
15 Class Member Address Search, and re-mail the Class Notice to the most current address
16 obtained. (*Id.*) The Administrator has no obligation to make further attempts to locate or send
17 Class Notice to Class Members whose Class Notice is returned by the USPS a second time. (*Id.*)
18 Class Members who want to opt out must timely submit a signed and dated written request to be
19 excluded from the class portion of the Settlement to the Settlement Administrator (“Opt-Out
20 Request”). Class Members who wish to exclude themselves (opt-out of) the Class portion of the
21 Settlement must send the Administrator, by fax, email, or mail, a signed written Request for
22 Exclusion not later than 60 (sixty) days after the Administrator mails the Class Notice (plus an
23 additional 14 (fourteen) days for Class Members whose Class Notice is re-mailed). (Exhibit 1,
24 Settlement Agreement, ¶ 7.5.1.) The Parties have jointly selected Apex to serve as the
25 Administrator and verified that, as a condition of appointment, Apex agrees to be bound by this
26 Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for
27 the Administration Expenses Payment. (Exhibit 1, Settlement Agreement, ¶ 7.1) The Parties and
28 their Counsel represent that they have no interest or relationship, financial or otherwise, with the

Administrator other than a professional relationship arising out of prior experiences administering settlements. (*Id.*) Apex has experience administering class action and PAGA settlements, has procedures in place to protect the security of class data, adequate insurance in the event of a data breach or defalcation of funds, and is qualified to administer the Settlement. (*See* Declaration of Sean Hartranft, which also includes a breakdown of the anticipated costs of notice to the class.) In addition, Apex will have a website for Class Members to review and reference for details regarding the Final Approval Hearing and any Final Approval Order and Judgment. If the Court grants final approval of the Settlement, a copy of the Final Approval Order and Judgment will be posted on this website for Class Members to review. The website will be provided to Class Members in the Class Notice that is mailed to them.

Certification for Settlement Purposes Only is Appropriate

14. Plaintiffs allege that the proposed Class satisfies the criteria for certification of a settlement class under California law, as embodied in California Code of Civil Procedure § 382. Defendant has agreed to the conditional certification of the class for settlement purposes only. Defendant does not concede that certification is appropriate outside of this Settlement and preserves all rights to oppose certification if, for any reason, the Settlement does not become effective. In general, courts may take a proposed settlement into account in evaluating the propriety of class certification. *See Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1807 fn. 19. Indeed, a “lesser standard” of scrutiny applies in certifying classes for settlement purposes. *Id.* Therefore, the Court should take into consideration the fact that the Parties have settled their claims and stipulated to certification for settlement purposes when assessing whether the Settlement is fair and reasonable.

15. **Numerosity and Ascertainability.** The putative Class is so numerous that joinder of all members is impractical. Class Members are “all persons employed by Defendant in hourly, non-exempt positions in California during the Class Period,” which is September 16, 2021, through March 7, 2025. Defendant has identified 6,728 Class Members based on a review of its payroll and personnel records. Thus, the requirements of numerosity and ascertainability are met here.

1 16. Well-Defined Community of Interest. Plaintiffs contend, and Defendant does not
2 dispute for settlement purposes only, that common issues of fact and law predominate as to each
3 of the claims alleged by Plaintiffs, and the Class is united in its proof. This action involves, *inter*
4 *alia*, a determination about Defendant's alleged failure to provide meal periods, failure to
5 provide rest periods, failure to pay hourly wages and overtime, failure to pay reporting time
6 wages, failure to pay sick pay, failure to provide accurate written wage statements, failure to
7 timely pay all final wages, failure to pay wages due, failure to reimburse for business related
8 expenses, and largely derivative claims under the UCL and PAGA. Plaintiffs contend
9 Defendant's practices affected Class Members in the same way and presents questions that are
10 suitable for common adjudication because all Class Members were subject to the same
11 employment policies and practices. The outcome of litigation in this matter depends upon
12 questions that are common to Class Members.

13 17. Typicality. The class representatives' claims are typical when they arise from the
14 same event, practice, or course of conduct that gives rise to the claims of other putative Class
15 Members and if their claims rest on the same legal theories. Here, Plaintiffs allege that their
16 claims are typical of Class Members' claims because they arose from the same factual basis and
17 are based on the same legal theories. Plaintiffs and Class Members were employed by Defendant
18 during the Class Period and were subject to the allegedly unlawful meal and rest policies and pay
19 practices at issue in this litigation. Thus, the typicality requirement is satisfied.

20 18. Adequacy. Plaintiffs' interests are aligned with those of the Class Members, as
21 they have suffered the same injuries as the Class Members and have no conflicts of interest.
22 Plaintiffs have not shrunk from this responsibility. Indeed, Plaintiffs have devoted a substantial
23 amount of time and energy to litigating this action and effectuating a settlement. Furthermore, as
24 set forth below, Class Counsel are experienced in wage-and-hour litigation, especially class
25 actions, and have zealously represented the interests of the class in litigating this case and have
26 no conflicts of interest with the Class, Administrator, or with the designated *cy pres* recipients
27 Bay Area Legal Aid, and Community Legal Aid SoCal. Accordingly, the adequacy requirement
28 is satisfied.

1 19. Predominance and Superiority. Plaintiffs contend that individualized issues do not
2 predominate over the issues of law and fact that are common to the Class as a whole. As
3 explained, *supra*, Plaintiffs allege there are common issues of law and fact given that Plaintiffs
4 and all Class Members were subjected to the same policies and pay practices during the relevant
5 time period. Plaintiffs and Class Members seek meal and rest premiums, unpaid wages and
6 overtime, and penalties for work performed as non-exempt employees for Defendant. Plaintiffs
7 allege that these issues are suitable for common adjudication because all Class Members were
8 allegedly subject to the same employment policies, and Plaintiffs contend the practices applied
9 uniformly to all Class Members.

10 20. Plaintiffs contend that class resolution is superior to other available methods for
11 the fair and efficient adjudication of the controversy as there is little interest or incentive for
12 Class Members to individually control the prosecution of separate actions. Although the alleged
13 injury resulting from Defendant's policies and practices are allegedly real and significant, the
14 cost of individually litigating each such case against Defendant would easily exceed the value of
15 any relief that could be obtained by any one Class Member individually. If Class Members are
16 forced to litigate their claims individually this would result in 6,728 individual actions against
17 Defendant. Here, the alternative methods of resolution are individual suits for relatively small
18 amounts. Hence, an individual suit would prove uneconomical for potential plaintiffs because
19 litigation costs would dwarf a potential recovery.

20 **The Settlement is Fair, Adequate, and Reasonable**

21 21. In deciding whether to approve a proposed class action settlement, the Court must
22 find that a proposed settlement is "fair, adequate, and reasonable" and falls within the "range of
23 approval." *Dunk*, 48 Cal.App.4th at 1801-02. The trial court considers all relevant factors, such
24 as "the strength of plaintiffs' case, the risk, expense, complexity and likely duration of further
25 litigation, the risk of maintaining class action status through trial, the amount offered in
26 settlement, the extent of discovery completed and the stage of the proceedings, the experience
27 and views of counsel, the presence of a governmental participant, and the reaction of the Class
28 Members to the proposed settlement." (*Id.*) The Settlement satisfies all of these requirements.

1 **A. The Settlement is the Result of Serious, Informed, Non-Collusive Negotiations.**

2 22. The proposed settlement was reached as a result of arm's length negotiations after
3 the completion of pertinent discovery and the exchange of necessary class information. The
4 negotiations have been, at all times, adversarial and non-collusive in nature. *See*, 4 Newberg on
5 Class Actions § 13:45 (5th ed.) (due to the preference of settlement over litigation, "a court will
6 presume that a proposed class action settlement is fair when certain factors are present,
7 particularly evidence that the settlement is the product of arms-length negotiation, untainted by
8 collusion."). Although Plaintiffs steadfastly maintain that their claims are meritorious, Plaintiffs
9 acknowledge that there were substantial risks and uncertainty in proceeding with litigation. As
10 described below, Defendant presented multiple defenses to Plaintiffs' claims, both on the merits
11 and with respect to class certification. Thus, while Plaintiffs were prepared to litigate these
12 claims through class certification, and ultimately trial, success was far from certain. Assistance
13 from a well-respected mediator ensured that negotiations were non-collusive and well-informed.

14 **B. Extent of Discovery and Stage of Proceedings.**

15 23. As stated above, the Parties engaged in substantial informal discovery before the
16 Settlement was reached to allow them to fully evaluate the class claims and Defendant's
17 defenses. This litigation has reached the stage where the Parties have a clear view of their
18 respective strengths and weaknesses.

19 **C. Strength of Plaintiffs' Case and the Risk, Expense, Complexity, and Likely Duration**
20 **of Any Litigation.**

21 24. Plaintiffs' claims are based on Defendant's alleged failure to provide meal
22 periods, failure to provide rest periods, failure to pay hourly wages and overtime, failure to pay
23 reporting time wages, failure to pay sick pay, failure to provide accurate written wage
24 statements, failure to timely pay all final wages, failure to pay wages due, failure to reimburse
25 for business related expenses, and largely derivative claims under the UCL and PAGA.

26 25. Plaintiffs allege that Defendant failed to pay Plaintiffs and Class Members at least
27 **minimum wages for all hours worked and proper overtime wages** for hours worked in excess
28 of eight hours in a day and 40 hours in a week. Specifically, Plaintiffs allege that Class Members

1 were required to attend weekly training sessions but were not paid for their attendance at those
2 sessions. Additionally, Plaintiffs allege that Class Members were required to arrive at their pick-
3 up locations prior to the start of their scheduled shifts and were dropped off at those same
4 locations after they had clocked out. Plaintiffs also allege that Class Members also clocked in
5 later than their shift started due to the unavailability of the iPad that Defendant used for them to
6 clock in and out of work. Furthermore, Plaintiffs allege that Defendant implemented an unlawful
7 time-rounding policy and practice which rounded down and reduced the actual working hours
8 recorded by Plaintiffs and Class Members, and generally did so to the detriment of the Plaintiffs
9 and Class Members.

10 26. Defendant contends that it did not require off the clock work, paid for all reported
11 hours worked, that Class Members were instructed and required to record all hours worked, that
12 Class Members were required to review their hours for the period and list them at the bottom of a
13 time sheet which would display regular and overtime hours separately, and that they were
14 required to sign it along with their department head after the total hours entered for each day had
15 been reviewed and double checked, and that any alleged off the clock work was performed
16 without Defendant's knowledge, and that they paid wages at the proper rates. Defendant also
17 argued that given its written policies and practices, any unrecorded hours are likely subject to
18 individualized inquiry and unlikely to be certified. Given the difficulty in certifying this claim,
19 Class Counsel applied a significant discount to damages based on this theory.

20 27. Plaintiffs also allege that Defendant failed to provide Plaintiffs and Class
21 Members with lawful **first and second meal periods**. For example, Plaintiffs allege that
22 Defendant had a common policy and practice of systemically requiring the Class Members to
23 perform work duties during unpaid meal periods, when such meal periods were taken. Due to
24 understaffing and heavy workloads, as well as the uncompensated work discussed above,
25 Plaintiffs allege that Class Members were denied the opportunity to take timely meal periods
26 prior to the completion of their fifth hour of work. Moreover, Plaintiffs allege that Class
27 Members were prohibited from leaving the work premises during meal periods. Additionally,
28 Plaintiffs and other non-exempt employees also did not record their own meal period times.

1 Instead, Plaintiffs' supervisor asked for the log-in number from each employee and clocked
2 employees in and out for meal periods using the supervisor's phone, resulting in late, short, and
3 missed meal periods.

4 28. Defendant contends that Class Members were given a reasonable opportunity to
5 take their meal periods, and when compliant meal periods were not provided, Defendant
6 provided premium pay to Class Members as reflected in their time and pay records. Defendant
7 also contends that the relevant Class Members signed valid meal period waivers. Defendant
8 further contends that the meal break claim requires individualized inquiries which would
9 preclude class certification. If Defendant's contentions prevail in trial, the likely outcome would
10 be no recovery for the Class Members on the meal break claim.

11 29. Plaintiffs also contend that Defendant did not provide Class Members with paid
12 **10-minute rest breaks** for every four hours or major fraction thereof. Plaintiffs allege that Class
13 Members were systematically denied the opportunity to take rest periods since they were not
14 relieved of their duties and were consistently required to work through their rest breaks due to
15 the excessive workloads, as well as Defendant's policy and practice of requiring Class Members
16 to remain on premises during their rest breaks and keep, maintain, and monitor, their cellular
17 phones during rest breaks.

18 30. Defendant maintains that they did provide a reasonable opportunity for Class
19 Members to take duty-free rest breaks during their shifts and dispute all allegations that rest
20 breaks were not provided. Considering that unlike meal periods, rest breaks need not be
21 recorded, these violations would likely be difficult to prove at trial and potentially depress the
22 damages ultimately awarded. Therefore, Class Counsel applied significant and appropriate
23 discounts to the rest break claim.

24 31. Plaintiffs alleged that Defendant also had a common policy and practice of **failing**
25 **to pay Plaintiffs and Class Members all reporting time pay** to which they were entitled under
26 California Law. Specifically, Plaintiffs allege that Class Members were routinely required to call
27 in or otherwise show up to work, only to be sent home within the first two hours of the shift,
28 without being paid half of their usual or scheduled day's work. Defendant contends that it paid

1 for all reporting time hours, and that Class Members were instructed and required to record all
2 hours worked.

3 32. Plaintiffs also alleged that Defendant required Plaintiffs and Class Members to
4 incur necessary business expenses in the course of performing their required job duties without
5 **reimbursement**. For example, Plaintiffs allege that Class Members were required to pay the
6 costs of maintaining and cleaning their work gloves, safety vests, goggles, hard hats, boots, and
7 various other safety gear all necessary to perform their duties under Defendant's employ.
8 Additionally, Plaintiffs allege that Class Members were required to use their personal cellular
9 phones for business purposes. Plaintiffs allege that Class Members were not reimbursed for these
10 expenses, which were necessary in executing their duties under Defendant's employ. Defendant
11 maintained that Class Members were not required to incur such expenses, that such expenses
12 were not reimbursable under the law, and that individualized issues relating to this claim would
13 preclude class certification.

14 33. As for the wage statement and waiting time penalties claims, Plaintiffs alleged
15 that Defendant consistently failed to provide Class Members with accurate and itemized wage
16 statements and all wages due to Class Members upon termination of their employment with
17 Defendant. Plaintiffs alleges that Defendant made it difficult to account with precision for the
18 unlawfully withheld wages and meal and rest period compensation owed during the liability
19 period, because it did not implement and preserve a record-keeping method as required.
20 Defendant contends that these claims are merely derivative of the underlying claims and that
21 Plaintiffs and Class Members would be unable to first establish liability for the underlying claims
22 for the reasons described above. Defendant further contends that even if they could first establish
23 liability for the underlying claims, Plaintiffs and Class Members would be unable to establish
24 that Defendant's conduct was willful and knowing as required by the relevant statutes since
25 Defendant acted in good faith to provide accurate wage statements and pay all wages due to
26 Plaintiffs and Class Members. Thus, Defendant contends that the wage statement and waiting
27 time penalties claims to have little to no value.

28 34. Further, Defendant contended that the PAGA claim is also derivative of the

underlying claims in the Action and ultimately fails because the underlying claims have no merit. Defendant also contended that even if Plaintiffs and Class Members could establish Labor Code violations, the Court has the discretion to award less than the maximum civil penalty amount and would award substantially less civil penalties here because Defendant acted in good faith to comply with the relevant wage and hour laws and any violations were minor and technical in nature.

35. Defendant generally denies all claims alleged in the Action and further denies class and/or representative treatment is appropriate for any purpose other than this Settlement and that it complied with all applicable laws. However, Defendant has concluded that further litigation would be protracted and expensive and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions herein.

36. As stated above, while Plaintiffs and Class Counsel contend the claims asserted in the Action have merit, they also acknowledge the expense, delay, and risks of continued litigation. Although the Parties engaged in informal discovery in advance of mediation, the Parties still had significant discovery to complete had the matter not settled. This would have required the expenditure of substantial time and resources by both Parties that would have very likely spanned several years. Even if Plaintiffs were to certify the classes, the Parties would incur considerably more attorney fees and costs through a possible decertification motion, trial, and possible appeal. This Settlement avoids those risks and the accompanying expense.

D. The Risk of Maintaining Class Action Status Through Trial.

37. Plaintiffs had not yet filed their motion for class certification, and as such, the extent to which Plaintiffs proposed classes were certifiable is somewhat speculative. Absent a settlement, there was a risk that there would not be a certified class at the time of trial, or if there were, it could consist of a significantly smaller group of employees than the proposed Settlement Class, resulting in less overall recovery.

38. In class actions, decertification is always a possibility, and there is always a risk that a trial of this magnitude can become unmanageable. Cases like *Duran v. U.S. Bank Nat. Assn.* (2014) 59 Cal. 4th 1, 34 address the complexity of using statistical samples in class actions

1 and demonstrate that decertification is a real risk that Class Counsel must consider. A class trial
2 would have also required expert witnesses, the accrual of extensive litigation costs, and the
3 commitment of extensive further time and financial resources. Finally, given the complexity and
4 unsettled nature of the issues, it is somewhat likely that any outcome at trial would have resulted
5 in a lengthy and costly appeal. An appeal would result in further delay for the Class Members
6 who have already waited years for resolution in this matter. Risk and legal uncertainty must be
7 dealt with in any litigation, and this Settlement was the product of compromise accounting for
8 those risks and that uncertainty.

9 **E. The Presence of a Governmental Participant.**

10 39. Class Counsel will be submitting the Settlement Agreement and this Motion to the
11 LWDA concurrently with the filing of this Motion pursuant to Labor Code § 2699(1)(2).

12 **F. The Amount Offered in Settlement is Fair Given the Potential Value of the Claims.**

13 40. Because the class consists of numerous employees, it was unlikely that the potential
14 monetary claims of individual Class Members would have proved viable without the class-action
15 mechanism. The Settlement Agreement should be approved in light of two California appellate
16 decisions: *Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785 and *Kullar*
17 *v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116.

18 41. The strength of the Plaintiffs' case in light of the settlement amount is deemed by
19 courts to be the "most important." *Clark v. American Residential Services, LLC* (2009) 175
20 Cal.App.4th 785, 799 (citing *Kullar*). Here, Plaintiffs allege that Defendant failed to provide
21 meal periods, failed to provide rest periods, failed to pay hourly wages and overtime, failed to
22 pay reporting time wages, failed to pay sick pay, failed to provide accurate written wage
23 statements, failed to timely pay all final wages, failed to reimburse for business related expenses,
24 all in violation of California law. Plaintiffs seek related violations of California's Business &
25 Professions Code, penalties pursuant to Labor Code § 2699 *et seq.* Summary calculations for
26 estimated liability for each of these claims follow.

27 Failure to Pay Minimum and Overtime Wages:

28 42. As discussed above, Plaintiffs allege that Defendant failed to pay Plaintiffs and Class

Members at least minimum wages for all hours worked and proper overtime wages for hours worked in excess of eight hours in a day and 40 hours in a week.

43. Class Counsel's expert estimated Defendant's exposure on the unpaid wages due to off the clock work attributable to overtime to be approximately \$712,364.00 (assuming 5 minutes of off the clock work per shift and 73.6% of off the clock hours attributable to overtime). However, given Defendant's defenses and the potential hurdles facing certification of off-the-clock claims, Class Counsel applied an 80% discount making for an adjusted realistic exposure of **\$142,472.00** for Defendant.

Meal Periods and Rest Breaks:

44. Meal Breaks: Plaintiffs allege that Defendant had a common practice and policy of denying compliant meal periods. Under Labor Code § 226.7, for each meal period missed, of less than 30 minutes, or taken late for which the employee was not provided a reasonable opportunity to take a complete and timely meal period, an employer must pay the employee an additional one hour of compensation. This additional hour of compensation is referred to as "premium pay." To comply with these laws, every employer must keep, for each employee, accurate time records showing when the employee begins and ends each work period and takes his or her meal periods. See Wage Order 4-2001(7)(A)(3). Plaintiffs allege that Defendant failed to pay the legally required premium at their regular rate of pay whenever meal periods were missed, interrupted, or late.

45. Class Counsel's expert estimated Defendant's maximum exposure on the meal period claim at approximately \$2,293,074.00 (meal period premiums due with an offset for meal period premiums paid). However, given Defendant's defenses and the potential hurdles facing certification of the meal break claim, Class Counsel applied an 80% discount making for an adjusted realistic exposure of **\$458,614.80** for Defendant.

46. Rest Breaks: Plaintiffs contend that Defendant did not provide Class Members with timely paid 10-minute rest breaks for every four hours or major fraction thereof. Class Counsel's expert estimated Defendant's maximum liability exposure on the rest break period claim at approximately \$1,156,261.60 assuming a 25% violation rate. However, given Defendant's

1 contentions and the difficulties facing certification of rest break claims, Class Counsel applied an
2 80% discount making for an adjusted realistic exposure of **\$231,252.32** for Defendant. Owing to
3 the arguments above and the fact that the recording of rest periods is not required, this claim was
4 substantially discounted.

5 Reporting Time Pay:

6 47. Plaintiffs alleged that Defendant also had a common policy and practice of failing to
7 pay Plaintiffs and Class Members all reporting time pay to which they were entitled under
8 California Law. Section 5(A) of the applicable Wage Order(s), requires that for “[E]ach workday
9 an employee is required to report for work and does report, but is not put to work or is furnished
10 less than half said employee’s usual or scheduled day’s work, the employee shall be paid for half
11 the usual or scheduled day’s work, but in no event for less than two (2) hours nor more than four
12 (4) hours, at the employee’s regular rate of pay, which shall not be less than the minimum wage.
13 Class Counsel estimated Defendant’s maximum liability exposure on the reporting time pay
14 claim at approximately \$476,591.08 (number of workweeks x 4hrs x regular rate of pay or
15 92,006 workweeks x 0.05 (5% of workweeks) x 4 hours x \$25.90 regular rate of pay). Given
16 Defendant’s defenses and the potential hurdles facing certification of reporting time pay claims,
17 Class Counsel applied an 80% discount making for an adjusted realistic exposure of **\$95,318.21**
18 for Defendant.

19 Inaccurate Wage Statement Violations:

20 48. Under Labor Code § 226(a), Plaintiffs and the Class are entitled to recover \$50 for
21 initial violations for inaccurate wage statements and \$100 for subsequent violations, up to a
22 maximum of \$4,000 per employee. Plaintiffs allege that Defendant made it difficult to account
23 with precision for the unlawfully withheld wages and meal and rest period compensation owed
24 during the liability period, because they did not implement and preserve a record-keeping
25 method as required.

26 49. Class Counsel’s expert estimated Defendant’s maximum total exposure on the section
27 226 claim at approximately \$12,497,750.00 (assuming \$50/\$100 for initial and subsequent
28 violations and 3,147 employees during the relevant period and a maximum of \$4,000 per

employee). After considering Defendant's contentions and the potential class certification issues, Class Counsel discounted this amount by 95% to get an adjusted realistic exposure of **\$624,887.50**.

Sick Pay

50. Plaintiffs also alleged that Defendant failed to compute the amount due for sick time in conformance with the pay calculation under California Labor Code § 246. Defendant paid shift differentials, nondiscretionary commissions, incentive pay, and/or nondiscretionary bonuses to Plaintiffs and Class Members but Defendant failed to include these forms of remuneration in the regular rate of pay upon which sick pay was calculated and paid. Accordingly, Defendant paid sick pay to Plaintiffs and Class Members at a lower rate in violation of the law. Defendant contended that it provided sick leave at the proper regular rates when applicable. Defendant further contended that bonuses were discretionary in nature and not required to be included in the regular rate at all. Class Counsel estimated Defendant's maximum total exposure on the paid sick leave claim at approximately \$15,039.00. However, Class Counsel believes this estimate is high given Defendant's defenses and potential hurdles facing certification of this claim and thus provided an 80% discount making Defendant's realistic exposure **\$3,007.80**.

Failure to Pay Final Wages at Termination or Separation:

51. In allegedly failing to pay Class Members their minimum wages, overtime wages, and premium pay for deficiently provided meal periods and rest breaks, all discussed above, Plaintiffs allege that Defendant willfully failed to pay Class Members all wages due and certain at the time of termination or within seventy-two (72) hours of resignation, as required under Labor Code § 203.

52. Section 203 provides that if an employer willfully fails to pay an employee all wages due at termination or within 72 hours of resignation, then that employee's wages will continue as a penalty until paid for a period of up to 30 days from the date they were due. Because Class Members stopped working for Defendant but were allegedly not paid their full compensation for the reasons discussed above, Class Members did not receive all wages due upon termination of employment.

53. Class Counsel estimated Defendant's maximum total exposure on the section 203 claim at approximately \$21,387,589.00 (5,584 terminated employees during the relevant period x 30 days x average hourly rate per year x 7.9 hours per workday). Given the foregoing arguments, Class Counsel discounted this amount by 95% to get an adjusted realistic exposure of **\$1,069,379.45**.

Failure to Reimburse for Necessary Business Expenditures:

54. Under Labor Code § 22802(a) Defendant must indemnify Plaintiffs and Class Members for all necessary expenditures or losses incurred in direct consequence of the discharge of their duties. Plaintiffs allege that Plaintiff and Class Members were required to pay the costs of maintaining and cleaning their work gloves, safety vests, goggles, hard hats, boots, and various other safety gear all necessary to perform, their duties under Defendant's employ. Additionally, Plaintiffs and Class Members were required to use their personal cellular phones for business purposes.

55. Plaintiffs estimated Defendant's total exposure on the unreimbursed business expenses claim at approximately \$336,400.00 (\$50 x 6,728 Class Members). However, given Defendant's defenses and the potential for the need for individualized inquiries making class certification of this claim difficult, Class Counsel applied an 80% discount to get an adjusted realistic exposure of **\$67,280.00**.

PAGA Penalties:

56. The Labor Code Private Attorneys General Act, Labor Code § 2698 *et seq.*, allows Plaintiffs to obtain civil penalties on behalf of themselves and other aggrieved employees for Defendant's violation of any provision of the Labor Code enumerated under Labor Code § 2699.5. Where civil penalties are provided in the statute, those civil penalties are recoverable; where no civil penalties are recoverable, Labor Code § 2699(f) establishes civil penalties of one (\$100) for each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation. Pursuant to Labor Code § 2699(i), seventy-five percent (75%) of the penalties recovered must be allocated to the Labor and Workforce Development Agency (LWDA), with the remaining

1 twenty-five percent (25%) allocated to the affected employees. The limitations period for all
2 penalties is one year prior to the filing of the complaint.

3 57. The provisions of the Labor Code potentially triggering PAGA penalties in this case
4 include but are not limited to Labor Code §§ 201, 202, 203, 204, 210, 212, 213, 223, 225.5, 226,
5 226.3, 226.7, 246, 510, 512, 515, 516, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2,
6 1197, 1198, 1199, 2698, 2699, *et seq.*, 2802, and 2804. PAGA penalties are not mandatory and
7 are instead permissive. Labor Code § 2699(e)(2) states that “a court may award a lesser amount
8 than the maximum civil penalty amount specified by this part if, based on the facts and
9 circumstances of the particular case, to do otherwise would result in an award that is unjust,
10 arbitrary and oppressive, or confiscatory.” *See Thurman v. Bayshore* (2012) 203 Cal. App. 4th
11 1112 (substantially reducing PAGA penalties by 30% under this provision). PAGA penalties are
12 not mandatory but permissive. Labor Code § 2699(e)(2) states that “a court may award a lesser
13 amount than the maximum civil penalty amount specified by this part if, based on the facts and
14 circumstances of the particular case, to do otherwise would result in an award that is unjust,
15 arbitrary and oppressive, or confiscatory.” (See *Thurman v. Bayshore* (2012) 203 Cal. App. 4th
16 1112 (substantially reducing PAGA penalties by 30% under this provision) (emphasis added);
17 see also *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504, 529 (2018) (affirming penalty
18 reduction of 90% for practice that resulted in meal periods occasionally starting minutes after the
19 fifth hour of work); *Sanchez v. McDonald’s Corp.* (2017), LASC Case No. No. BC 499888 (98%
20 reduction from \$41 million to \$775,000); *Ghrdilyan v. RJ Financial* (2012), LASC Case No.
21 BC430633 (94% reduction from \$5.4 million to \$325,000); *Fleming v. Covidien, Inc.* (2011),
22 USDC Case No. ED CV 10-01487-RGK (OPx) (87% reduction from \$2.8 million to
23 \$375,000).).Defendant contested Plaintiffs’ claim for PAGA penalties.

24 58. PAGA penalties are also derivative of each and every other claim, and Defendant
25 argued the PAGA claims would be subject to the same defenses as the underlying claims, and as
26 well as additional equitable defenses, including substantial compliance. Finally, under *Amaral v.*
27 *Cintas Corp.* (2008) 163 Cal.App.4th 1157, Defendant asserted that penalties under PAGA
28 could, at best, be awarded only at the rates obtainable for initial violations under the applicable

1 statutes, because Defendant had never been notified of the alleged violations. *Id.* at 1208-1209.

2 59. Plaintiffs estimated Defendant's total exposure on the PAGA claim at approximately
3 \$678,030.00 (135,606 PAGA Pay Periods x \$5). However, Class Counsel also estimated any
4 PAGA recovery would be substantially reduced and applied discounts in light of the
5 countervailing arguments with regard to the other causes of action and the Court's power to
6 award "a lesser amount than the maximum civil liability." The PAGA allocation agreed upon by
7 the Parties therefore was **\$100,000**, subject to the Court's final approval.

8 Unfair Business Practices

9 60. Plaintiffs pled this cause of action to augment their other causes of action and aid in
10 their prosecution. Business & Professions Code § 17208 extends the statute of limitations on
11 Plaintiffs' wage claims, which qualify as unfair business practices, to four years rather than the
12 three years provided by statute.

13 Summary

14 61. The foregoing discussion establishes the adequacy of the Settlement amount in light of
15 the merits of Plaintiffs' case and establishes the fairness of the class-action settlement in the
16 instant case, including by analyzing it in light of the *Clark* and *Kullar* decisions. It does so by
17 explaining the legal basis for each of Plaintiffs' causes of action, summarizing the evidence that
18 Class Counsel gathered in support of those causes of action, and relating to Defendant's legal
19 and factual arguments that worked to detract from the strength of Plaintiffs' case.

20 62. Class Counsel applied reasonable and justified discounts, considering the facts and
21 legal contexts outlined above. These substantial discounts were necessary in light of Defendant's
22 contentions and denial of liability. This Settlement, like most others, was the product of
23 compromise. As addressed above, Plaintiffs estimated that Defendant faced approximately
24 \$3,370,242.08 in total realistic exposure on Plaintiffs' main claims. The Gross Settlement
25 Amount of \$2,299,500.00 therefore represents a recovery for the Class Members of
26 approximately 68% of the total realistic exposure Plaintiffs estimated Defendant could face on
27 these class-wide claims. Class Counsel submits that this is an optimal result for the Class in light
28 of all of the factors described above.

1 **Class Counsel Fees Payment is Fair and Reasonable**

2 63. Under the Settlement, Class Counsel requests, without opposition from Defendant, an
3 award of \$766,500.00 for attorneys' fees and up to \$40,000.000 for reasonable expenses incurred
4 to prosecute the Action. This request is fair, reasonable, and adequate to compensate Class
5 Counsel for the substantial work they have put into this case and, moreover, the risk they
6 assumed by taking it in the first place as they will not receive any compensation for their efforts
7 until recovery is obtained for the Class. The attorneys' fees award is intended to reimburse Class
8 Counsel for all uncompensated work that they have already done and for all the work they will
9 continue to do in carrying out and overseeing the notification to Class Members, communicating
10 with Class Members regarding their claims, and assisting in the administration of the Settlement
11 if it is preliminarily approved. The requested fee is reasonable for the services provided to Class
12 Members and for the benefits they are to receive. Class Counsel's costs incurred to date and
13 estimated future costs currently total \$15,171.30. D.Law, Inc.'s cost log for this matter is
14 attached hereto as **Exhibit 3**.

15 **Class Representative Service Payments are Fair and Reasonable**

16 64. Plaintiffs are entitled to a reasonable service payment for their efforts and initiative in
17 bringing and helping to prosecute this action. Plaintiffs spent significant time better apprising
18 themselves of their rights, deciding whether remedial action should be taken and how it should
19 be taken, searching for attorneys, and communicating with Class Counsel. Plaintiffs were
20 consistently communicative with counsel, routinely checked-in, and were responsive to Class
21 Counsel's requests for information for discovery, documentation, and meetings.

22 65. Both before and after the filing of this lawsuit, Plaintiffs conferred with Class Counsel
23 on to discuss every aspect of their case. Plaintiffs performed the following tasks, among others:

- 24 • Assisted counsel in investigating and substantiating the claims alleged in this action;
25 • Provided Class Counsel with information about Defendant and about the industry
26 generally;
27 • Consulted with Class Counsel regarding litigation strategy and monitored the progress of
28 the litigation;

- Produced evidentiary documents to their counsel;
- Identified witnesses;
- Attended mediation on behalf of the Class; and
- Reviewed and signed the Settlement Agreement.

66. In agreeing to be the named plaintiff in this litigation, Plaintiffs accepted a number of risks. For example, each accepted the potential risk of being liable for Defendant's costs and potentially the company's fees if the lawsuit was unsuccessful. Further, each risked the potential stigma of being a class representative in a class action labor dispute, which may affect their future employability.

67. Plaintiffs seek service payment in the amount not to exceed \$10,000.00 per Class Representative, or \$40,000.00 total. Plaintiffs each secured a benefit for the Class worth \$2,299,500.00. In the aggregate, the requested service payment represents only a small percentage of the settlement consideration. The total amount which Plaintiffs are requesting to be allocated to a service award is approximately 1.74% of the total settlement amount. In light of the foregoing, Class Counsel believes that the \$10,000.00 service payments to each of the Class Representatives is fair and reasonable.

Proposed Class Notice Provides Adequate Notice

68. The notification procedure set out in the Settlement Agreement provides the greatest likelihood that each and every Class Member will receive the Class Notice, attached to the Settlement as Exhibit A. Under the Settlement, no later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. No later than 14 days after receiving the Class Data, the Administrator will send to all 6,728 Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail and email, the Class Notice with Spanish translation. (Exhibit 1, Settlement Agreement, ¶ 7.4.2.) The Class Notice includes a summary of the case and settlement terms and provides Class Members with detailed instructions on how to exclude themselves, object to the settlement, and dispute the number of workweeks and/or pay periods attributed to each Class Member per Defendant's records. (Exhibit

1 A, Class Notice). Settlement Class Members who want to opt out must timely submit a signed
2 and dated written request to be excluded from the class portion of the Settlement to the
3 Settlement Administrator (“Opt-Out Request”). Class Members who wish to exclude themselves
4 (opt-out of) the Class portion of the Settlement must send the Administrator, by fax, email, or
5 mail, a signed written Request for Exclusion not later than 60 (sixty) days after the Administrator
6 mails the Class Notice (plus an additional 14 (fourteen) days for Class Members whose Class
7 Notice is re-mailed). (Exhibit 1, Settlement Agreement, ¶ 7.5.1.) A Request for Exclusion is a
8 letter from a Class Member or his/her representative that reasonably communicates the Class
9 Member’s election to be excluded from the Settlement and includes the Class Member’s name,
10 last four digits of the Social Security Number of the Class Member requesting exclusion, address
11 and email address and telephone number. (*Id.*) To be valid, a Request for Exclusion must be
12 timely faxed, emailed, or postmarked by the Response Deadline. (*Id.*) This is the best and most
13 practicable way to ensure the greatest possible number of Class Members will receive the Notice.

14 69. The settlement agreement does not impose any affirmative duties on Participating
15 Class Members. No claim form is required to participate in the Settlement. Individuals who wish
16 to opt out or object may do so. The Class Notice itself fully apprises Class Members of the
17 nature of the lawsuit, the claims involved, the terms of the settlement, and their options
18 thereunder. (Exhibit 1, Settlement Agreement, Exhibit A, Class Notice). It provides for a specific
19 procedure to seek exclusion from the Class, disputing payments and Class Information,
20 challenging workweek and pay period data, and lodging objections to the settlement. (*Id.*) In the
21 Class Notice, Class Members will also receive Class Counsel’s contact information so they can
22 speak to attorneys conversant with the legal and factual issues involved in this case, as well as
23 the contact information for the Settlement Administrator. The efforts taken to ensure that Class
24 Members receive the Class Notice and are well informed about the settlement are reasonable and
25 provide the best notice practicable under the facts.

26 **Qualifications and Adequacy of Class Counsel**

27 70. D.Law prosecutes wage and hour cases, including class actions and PAGA actions on
28 behalf of employees and others who have had their rights violated. D.Law, either on its own or

1 with co-counsel, is currently serving as plaintiffs' counsel of record in numerous wage and hour
2 and employment class action and PAGA action cases pending in both state and federal court.

3 71. D.Law is well-qualified and has ample experience, knowledge, and resources to act as
4 counsel and represent Plaintiffs and the putative Class and Aggrieved Employees in this action.
5 Our practice is exclusively focused on employment matters and representing plaintiffs in wage
6 and hour actions with the same or similar causes of actions brought forth in the matter pending
7 before this Court.

8 72. D.Law has litigated and successfully resolved many wage and hour class action cases
9 involving failure to pay wages and derivative Labor Code claims and penalties. See e.g. De La
10 Rosa v. The Coca Cola Company et al. (Superior Court of California in Napa, 17CV000787),
11 Harvey v. Bed Bath & Beyond of California Limited Liability Company (Superior Court of
12 California in Alameda, RG17885153), Paredes v. Bottling Group LLC et. al. (Superior Court of
13 California in Kern), Ramirez v. Harris Ranch Beef Company (Superior Court of California in
14 Fresno, 16CECG04103), Gates v. Gate Gourmet, Inc. et. al. (Southern District of California, 16-
15 cv-01084-L-AGS), Hargrave v. Antelope Valley Hospital (Superior Court of California in Los
16 Angeles, BC663252), Ramirez v. Milton Roy et. al. (Superior Court of California in Los
17 Angeles, BC 632 276), Hawkins v. AvalonBay Communities (Superior Court of California in
18 Santa Clara, 17CV316492), Jones Tharpe et al. v. Sprint Corporation et al. (Superior Court of
19 California in Los Angeles, BC644645), Ortega et al. v. Nestle Waters North America, Inc. et al.
20 (Superior Court of California in Los Angeles, BC623610), Schultz v. Jimbo's Natural Family,
21 Inc. (Superior Court of California in San Diego, 37-2017-00022348-CUE-OE-CTL), Ambrose v.
22 Victor Valley Global et al. (Superior Court of California in San Bernardino, CIVDS1709289),
23 Puerta-Gildardo v. Real Time Staffing Services LLC et. al. (Superior Court of California in Los
24 Angeles, BC565445), Vargo v. Pregis Innovative Packaging LLC (Superior Court of California
25 in Tulare, 270836), Conlin v. Aegis Senior Communities LLC (Northern District of California,
26 17-cv-05534-LHK), Galarza v. Kloeckner Metals Corporation (Central District of California,
27 2:17-cv-04910-FMO), Estes v. L3 Technologies, Inc. et al. (Southern District of California, 3:17-
28 cv-02356-H-JMA), Rowser v. Trunk Club, Inc. (Central District of California, 2:17-cv-05064-

1 DSF-RAO), Leach v. The Claremont Colleges, Inc. (Superior Court of California in Los
2 Angeles, BC686451), Vaesau v. PCT Enterprises, Inc. dba Precision Cabinets (Superior Court of
3 California, County of Contra Costa MSC18-02404), Terry v. TF Louderback, Inc. dba Bay Area
4 Beverage Company (Superior Court of the State of California, County of Contra Costa, MSC18-
5 00859), Roach v. Westcare California, Inc. (Superior Court of California in Kern County, BCV-
6 17-102367-SDS), Patton v. Church & Dwight Co., Inc. (Central District of California, EDCV
7 18-903-MWF (KKx)), Juarez v. ISL Employees, Inc. (Superior Court of California in Madera,
8 MCV074787), Ferraro v. USC Verdugo Hill s Hospital, et al. (Superior Court of California in
9 Los Angeles, 18STCV09463), Ford v. Account Control Technology, Inc., et al. (Superior Court
10 of California in Los Angeles, 19STCV09369), Ornelas v. iStorage, et al. (Superior Court of
11 California in San Francisco, CGC-18-571421), Martinez v. Ronpak, Inc. (Superior Court of
12 California in Riverside, RIC1901307), Barrera et al. v. Exclusive Wireless, Inc. (Superior Court
13 of California in Stanislaus, 9000687), Barajas v. Mancha Development Company LLC (Superior
14 Court of California in Orange County, 30-2018-00974707-CU-OE-CXC), Prado v. IMAX
15 Corporation dba IMAC Worldwide Home (Superior Court of California in San Bernardino,
16 CIVDS1820265), Rodriguez v. ND Industries, Inc. (Superior Court of California in Los Angeles,
17 19STCV38096), Singletary v. Motel 6 Operating LP, et al. (Southern District of California, 3:20-
18 cv-0270-LAB-AHG), Quizon v. CF Watsonville East, LLC, et al. (Superior Court of California
19 in Santa Cruz, 20CV01868), Stephenson v. Bakersfield Dodge, Inc. (Superior Court of
20 California in Kern, BCV-20-102693), Bacerra v. Hugo Boss Retail, Inc. (Superior Court of
21 California in San Diego, 37-2021-00002933-CU-OE-CTL), Walker v. Ariat International, Inc.
22 (Superior Court of California in Alameda, HG19026439), Orr v. Petvet Care Centers (California)
23 Inc. (Superior Court of California in Santa Clara, 19CV354063), Jimenez v. OEC Distribution
24 Services, Inc. (Superior Court of California in San Bernardino, CIVDS1915743), Viridi v.
25 Absolute Security International (Superior Court of California in San Bernardino, CIVDS
26 1909589), Raj v. First Transit, Inc (Superior Court of California in Sacramento, 34-2021-
27 00295895-CU-OE-GDS), Marchbanks v. Torrid Administration, Inc. (Superior Court of
28 California in San Diego, 37-2020-00008179-CU-OE-NC), among others.

1 73. I was admitted to the California Bar in December 2008, and I am Senior Counsel at
2 D.Law. I received my J.D. from Pepperdine University School of Law and B.S. from the
3 University of Southern California. Since graduating from law school, I have dedicated virtually
4 my entire career on the practice of employment law. I have practiced employment law from the
5 plaintiff's side, from the defense side, and from an in-house position. I have significant
6 experience specifically working on wage and hour class actions from the plaintiff's side as well
7 as the defense side, with the majority of my experience coming from the plaintiff's side.

8 74. Attorney David Keledjian is Senior Counsel at D.Law and he manages his own
9 complex litigation team. Mr. Keledjian was admitted to the California Bar in December 2016.
10 Mr. Keledjian received his J.D. from Trinity Law School and B.A. from California State
11 University of Fullerton. Since graduating from law school, Mr. Keledjian has dedicated virtually
12 his entire career on the practice of employment law. Mr. Keledjian has practiced employment
13 law from both the plaintiff's side and defense side. Mr. Keledjian has significant experience
14 specifically working on wage and hour class actions from the plaintiff's side, with the majority
15 of his experience coming from representing employees and obtaining significant settlements on
16 their behalf. During his career, Mr. Keledjian has represented employees in over 100 wage-and-
17 hour class action lawsuits as lead or co-lead counsel (including in the Central, Southern, Eastern
18 and Northern Districts of California), and he has obtained six and seven figure settlements
19 against a range of defendants, including Fortune 500 companies. These cases have involved the
20 gamut of wage-and-hour claims, including claims for failure to pay minimum wages, unpaid
21 wages and overtime, failure to provide meal breaks, inaccurate pay statements, and failure to pay
22 timely wages - similar to claims at issue in the present matter. Mr. Keledjian is experienced in
23 prosecuting employment matters, particularly class actions. In addition to the present case, he is
24 also class counsel for dozens of other putative wage-and-hour class-action lawsuits pending in
25 various state and federal jurisdictions throughout California.

26 75. Associate Attorney David Arakelyn received his Bachelor of Arts in political science
27 from the University of California, Los Angeles, in 2009. Mr. Arakelyn then earned his Juris
28 Doctorate from the University of California, Los Angeles in May of 2020. Upon graduating from

1 law school, he has primarily focused my practice on representing employees in wage-and-hour
2 class actions. Mr. Arakelyn has worked on multiple cases that have resulted in favorable
3 settlements for the employee Class Members and Aggrieved Employees he has represented.

4 76. The collective experience of the D.Law attorneys in litigating employment wage and
5 hour matters has been integral in identifying legal issues, evaluating the strengths and
6 weaknesses of a case, and generally negotiating fair and reasonable class and representative
7 action settlements. Practice in the narrow field of wage and hour litigation requires skill and
8 knowledge concerning the constantly evolving substantive law (state and federal), as well as the
9 procedural law of class and representative action litigation. In this action, the attorneys at D.Law
10 are fully equipped to use the skills and knowledge developed over decades of prosecuting and
11 defending wage and hour class actions to fairly and adequately represent the interests of the
12 Class Members and aggrieved employees. Therefore, based on our resources, experience, and
13 knowledge, the attorneys at D.Law are well-qualified to act as class counsel and represent the
14 Plaintiffs and the putative Class Members and aggrieved employees in this action.

15 77. We understand the responsibilities owed as counsel to the Settlement Class Members
16 and aggrieved employees we represent. The attorneys at D.Law, Matern Law Group, PC, and
17 Haines Law Group, APC thoroughly investigated the claims asserted in this action and have
18 remained committed to dedicating the resources necessary to represent the Settlement Class and
19 vigorously pursue their claims. Based upon my experience and understanding of the claims and
20 defenses in this action, I believe the settlement is fair, adequate, and reasonable for the Class
21 Members and aggrieved employees and all involved, and that the Settlement is well within the
22 range of reasonableness that would permit it to be finally approved. I am not aware of any
23 conflict of interest with Plaintiffs or any other Class Member that would interfere with the duties
24 as Class Counsel.

25 78. I also submit that D.Law has no interest in nor any actual or potential conflict of
26 interest with the *cy pres* recipients Bay Area Legal Aid, and Community Legal Aid SoCal. Bay
27 Area Legal Aid and Community Legal Aid SoCal are both nonprofit organizations whose
28 representation and advocacy on the behalf of low-income workers in labor and employment

1 matters in Northern and Southern California impacts class members and similarly situated
2 persons consistent with the objectives and purposes of the underlying causes of action in this
3 matter.

4 79. On March 2, 2026, Plaintiffs submitted the Parties' Class Action and PAGA
5 Settlement Agreement and Class Notice and Plaintiffs' Motion for Preliminary Approval of
6 Class Action and PAGA Settlement and supporting documents to the LWDA. A true and correct
7 copy of the confirmatory email from the LWDA is attached hereto as **Exhibit 4.**

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

10 Executed this 2nd day of March 2026, in Pasadena, California

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12 Enoch J. Kim

13 Enoch J. Kim
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EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs Teddy Lawrence Dreher (“Dreher”), Cutrenia M. Saxon (“Saxon”), Curtisha Holden (“Holden”), and Luke Perry (“Perry”) (collectively, “Plaintiffs”) and Defendant Center for Employment Opportunities, Inc. (“Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

1. **DEFINITIONS.**

- 1.1 “Action” means Plaintiffs’ lawsuits alleging wage and hour violations against Defendant captioned (1) *Dreher, et al. v. Center for Employment Opportunities, Inc.* initiated on September 1, 2023 in the Superior Court of the State of California, County of Sacramento, Case No. 23CV007758, and subsequently removed to and currently pending in the United States District Court, Eastern District of California, Case No.: 2:23-cv-02515-JDP (the “Dreher Action”); (2) *Curtisha Holden v. Center for Employment Opportunities*, initiated on January 25, 2024, in the Superior Court of the State of California, County of Alameda, Case No. 24CV061398, and subsequently removed to and currently pending in the United States District Court, Northern District of California, Case No. 3:24-cv-01269 (the “Holden Action”); and (3) *Luke Perry v. Center for Employment Opportunities*, initiated on January 23, 2024, in the Superior Court of the State of California, County of Riverside, and subsequently removed to the United States District Court for the Eastern District of California, Case No. 24-cv-00489-KK-SP (the “Perry Action”). The Dreher Action, the Holden Action and the Perry Action were subsequently consolidated into a single consolidated complaint in the Dreher Action and is pending as the Second Amended Complaint in the Dreher Action. As part of the Settlement, the Parties agree to remand the Dreher matter to the Sacramento County Superior Court, where the settlement approval papers will be filed.
- 1.2 “Administrator” means Apex Class Action LLC (“Apex”), the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4 “Aggrieved Employee” means a person employed by Defendant in California as a non-exempt, hourly employee during the PAGA Period.
- 1.5 “Class” means all persons employed by Defendant in hourly, non-exempt positions in California during the Class Period.
- 1.6 “Class Counsel” means Emil Davtyan, David Yeremian, David Keledjian, David Arakelyan, Enoch J. Kim, and Norayr Zakaryan of D.Law, Inc.; Matthew J. Matern and

Deanna S. Leifer of Matern Law Group, P.C.; and Paul K. Haines, Sean M. Blakely, and Joel M. Gordon of Haines Law Group, APC.

- 1.7 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8 “Class Data” means Class Member identifying information in Defendant’s possession, including the Class Member’s name, last-known mailing address and email address if available, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9 “Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods, and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English, attached as **Exhibit A** and incorporated by reference into this Agreement.
- 1.12 “Class Period” means the period from September 16, 2021 through March 7, 2025.
- 1.13 “Class Representatives” means the named Plaintiffs Teddy Lawrence Dreher, Cutrenia M. Saxon, Curtisha Holden, and Luke Perry seeking Court approval to serve as Class Representatives.
- 1.14 “Class Representative Service Payments” means the payment to the Class Representatives for initiating the Action and providing services in support of the Action.
- 1.15 “Court” means the Superior Court of California, County of Sacramento.
- 1.16 “Defendant” means named Defendant, Center for Employment Opportunities, Inc.
- 1.17 “Defense Counsel” means Adam Y. Siegel and Michael Y. Hsueh of Jackson Lewis P.C.
- 1.18 “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and

(b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, 65 days after the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

- 1.19 “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21 “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22 “Gross Settlement Amount,” subject to Paragraph 8 below, means \$2,299,500.00 which is the total amount Defendant agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payments and the Administrator’s Expenses. The Gross Settlement Amount does not include the employer’s share of payroll taxes, which will be paid by Defendant, and separate and in addition to this amount.
- 1.23 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.
- 1.25 “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the LWDA PAGA Payment, Individual PAGA Payments, Class Representatives Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment.

The remainder is to be paid to Participating Class Members as Individual Class Payments.

- 1.29 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.31 “PAGA Period” means the period from September 1, 2022 through March 7, 2025.
- 1.32 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.33 “PAGA Notice” means Dreher’s September 1, 2023 letter to Defendant and the LWDA, Holden’s October 24, 2023 letter to Defendant and the LWDA, and Perry’s January 23, 2024 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a), collectively.
- 1.34 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$25,000) and the 75% to LWDA (\$75,000.00) in settlement of PAGA claims.
- 1.35 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36 “Plaintiffs” means Teddy Lawrence Dreher, Cutrenia M. Saxon, Curtisha Holden, and Luke Perry, the named Plaintiffs in the Action.
- 1.37 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38 "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.40 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.41 “Released Parties” means Defendant and each of its former and present directors, officers, employees, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

1.42 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.43 “Response Deadline” means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

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

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

2. **RECITALS.**

2.1 On September 1, 2023, Dreher commenced this Action by filing a Complaint in the Superior Court of California, County of Sacramento, alleging causes of action against Defendant for violation of the Labor Code and the Wage Order for (1) Failure to Provide Meal Periods; (2) Failure to Provide Rest Periods; (3) Failure to Pay Hourly Wages and Overtime, (4) Failure to Pay Proper Reporting Time Wages, (5) Failure to Pay Proper Sick Pay, (6) Failure to Provide Accurate Written Wage Statements, (7) Failure to Pay All Wages Upon Termination, (8) Failure to Indemnify; and (9) Unfair Competition in violation of California Business and Professions Code section 17200, et. seq. (the “Original Action.”). On September 1, 2023, Plaintiff Dreher also submitted his PAGA letter to the Labor and Workforce Development Agency (“LWDA”).

2.2 On November 1, 2023, the Dreher Action was removed to the United States District Court, Eastern District of California, and assigned Case No.: 2:23-cv-02515-JDP.

2.3 On November 16, 2023, Dreher filed a First Amended Complaint in the United States District Court adding a cause of action against Defendant for civil penalties for violation of PAGA, predicated on underlying violations of Labor Code sections § 201, 202, 203, 204, 210, 226, 226.3, 226.7, 226.8, 246, 510, 512, 515, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, et seq., and 2802, et. seq., and the applicable Wage Orders of the Industrial Welfare Commission.

2.4 On January 23, 2024, Perry commenced an action against Defendant titled *Luke Perry v. Center for Employment Opportunities*, in the Superior Court of the State of California, County of Riverside for violation of the Labor Code and the Wage Orders for (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) failure to reimburse for necessary business expenses; (6) failure to provide accurate written wage statements; and (7) unfair competition. On the same date, Perry also submitted a PAGA letter to the LWDA.

- 2.5 On March 5, 2024, the Perry Action was removed to the United States District Court for the Eastern District of California, and assigned Case No. 24-cv-00489-KK-SP.
- 2.6 On January 25, 2024, Holden commenced an action against Defendant titled *Curtisha Holden v. Center for Employment Opportunities*, in the Superior Court of the State of California, County of Alameda for violation of the Labor Code and the Wage Orders for (1) failure to provide meal periods; (2) failure to authorize and permit rest periods; (3) failure to pay minimum wages; (4) failure to pay overtime wages; (5) failure to pay all wages due to discharged and quitting employees; (6) failure to maintain required records; (7) failure to furnish accurate written wage statements; (8) failure to indemnify; (9) unfair competition; and (10) PAGA. Holden had submitted her PAGA letter to the LWDA on October 24, 2023.
- 2.7 On March 1, 2024, the Holden Action was removed to the United States District Court for the Northern District of California, and assigned Case No. 3:24-cv-01269.
- 2.8 On June 28, 2024, Plaintiffs filed a Second Amended (Consolidated) Complaint in the Dreher Action (the “Operative Complaint”), adding Saxon, Holden, and Perry as named plaintiffs and proposed class representatives. Perry and Holden subsequently dismissed the Perry Action and the Holden Action.
- 2.9 Defendant expressly denies any liability or wrongdoing of any kind associated with the claims alleged in the Action and those released as part of this settlement of the Action. Defendant denies all material allegations set forth in the Operative Complaint and have asserted numerous affirmative defenses. Defendant maintains, among other things, it has complied with federal and California law in all respects. Nothing in this Agreement shall be deemed an admission of liability, culpability, negligence or wrongdoing on the part of Defendant. Notwithstanding, in the interest in avoiding further litigation, Defendant desires to fully and finally settle the Action, Released Class Claims, and Released PAGA Claims.
- 2.10 Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.11 On July 2, 2024, the Parties participated in an all-day mediation presided over by experienced wage and hour mediator Brandon McKelvey, Esq., which led to this Agreement to settle the Action.
- 2.12 Prior to mediation, Plaintiffs obtained, through informal discovery, a representative sample of the payroll and timekeeping records of the Class Members, among other data. Plaintiffs’ investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“Dunk/Kullar”).

2.13 The Court has not granted class certification.

3. **MONETARY TERMS.**

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay \$2,299,500.00 and no more as the Gross Settlement Amount, and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval Order:

3.2.1 To Plaintiffs: Class Representative Service Payments to the Class Representatives of not more than \$10,000.00 each (totaling \$40,000.00). These amounts are subject to approval by the Court and are in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as Participating Class Members. Defendant will not oppose Plaintiffs' request for Class Representative Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs shall be solely and legally responsible to pay and all applicable taxes on their Class Representative Service Payments and shall hold Defendant harmless from any claim or liability for taxes, penalties, or interest arising as a result of the Class Representatives Service Payments. It is understood by Plaintiffs and Class Counsel that the Court has final discretion on any Class Representative Service Payments.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be \$766,500.00, and a Class Counsel Litigation Expenses Payment of not more than \$40,000.00. Defendant will not oppose requests for these payments provided they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the

Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments. Notwithstanding any other provision of this Agreement, if the Court should fail to award attorneys' fees to Class Counsel in the full amount provided for in this Agreement, no order of the Court or modification of any order of the Court concerning the amount of any attorneys' fees to be paid by Defendant to Class Counsel pursuant to this settlement shall constitute grounds for cancellation or termination of the Agreement or grounds for limiting any other provision of the Judgment. It is agreed that no order of the Court, including any order concerning attorneys' fees, may alter or otherwise increase the Gross Settlement Amount except for the escalation clause being triggered pursuant to Paragraph 8.

- 3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed \$40,000.000 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$40,000.000, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4 To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.
 - 3.2.4.1 Tax Allocation of Individual Class Payments. 15% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 85% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.
 - 3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$100,000.00 to be paid from the Gross Settlement Amount, with 75% (\$75,000.00) allocated to the LWDA PAGA Payment and 25% (\$25,000.00) allocated to the Individual PAGA Payments.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$25,000.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. **SETTLEMENT FUNDING AND PAYMENTS.**

4.1 Class Workweeks and PAGA Pay Periods. Based on a review of its records as of the date of mediation, July 2, 2024, Defendant estimates there are 6,728 Class Members who collectively worked a total of 92,006 Workweeks, and 1,144 Aggrieved Employees who worked a total of 135,606 PAGA Pay Periods.

4.2 Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. The Administrator will not provide Class Data to Class Counsel. The Class Data provided to the Settlement Administrator will be treated as confidential and will not be disclosed to anyone, except as may be required to applicable tax authorities, pursuant to Defendant's express written consent, by order of the Court, or to carry out the reasonable steps described in this Settlement to locate missing Class Members. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

- 4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount and the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the first half of the funds due to the Administrator no later than 14 days after the Effective Date, and the second half of the funds to the Administrator no later than six (6) months after transmission of the first payment.
- 4.4 Payments from the Gross Settlement Amount. Within 14 days after Defendant fully funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments.
- 4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
- 4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (7) days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, if requested by the Class Member prior to the void date.
- 4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to Legal Aid of Northern California (50%) and Legal Aid of Southern California (50%), non-profit organizations providing legal services to the indigent, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

4.4.4 The payment of Individual Class Payments, Individual PAGA Payments, and the Class Representative Service Payments made to Plaintiffs, as well as any other payments made under this Agreement, shall not be utilized to calculate any additional benefits under any benefit plans to which any Participating Class Members or Aggrieved Employees may be eligible, including, but not limited to: profit sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plans. Rather, it is the Parties' intention that this Settlement will not affect any rights, contributions, or amounts to which any Participating Class Member or Aggrieved Employee may be entitled under any benefit plans.

5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, and Aggrieved Employees will release claims against the Released Parties as follows:

5.1 **Plaintiffs' Release.** Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint;(b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint in the Action and in the PAGA Notice; (c) any claim arising out of the California common law of contract; the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.*, and federal common law; and (d) all claims arising out of their employment by Defendant, including but not limited to claims for lost wages and benefits, emotional distress, retaliation, punitive damages, and attorneys' fees and costs arising under federal, state, or local laws for discrimination, harassment, and wrongful termination, including but not limited to, 42 U.S.C. section 1981, title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the California Fair Employment and Housing Act, the California Labor code, and the law of contract and tort ("Plaintiffs' Release"). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or to any claims arising after the date of Plaintiffs' execution of this Agreement. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now knows or believes to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

Plaintiffs' Release does not pertain to any individual wrongful termination and/or discrimination claims, and related relief, for Plaintiff Cutrenia Saxon, which are being negotiated separately, and any individual wrongful termination and/or discrimination claims, and related relief, by Plaintiff Teddy Lawrence Dreher, titled *Teddy Lawrence Dreher v. Center For Employment Opportunities, Inc., et al.*, which are currently pending

in the Superior Court of California, County of Superior, Case No. 23CV423538 (“Preserved Claims”).

5.1.1 Plaintiffs’ Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs’ Release, and excluding the Preserved Claims in Paragraph 5.1 above, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

5.2 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the allegations and causes of action stated in the Operative Complaint, including claims for (1) Failure to Provide Meal Periods, (2) Failure to Provide Rest Periods, (3) Failure to Pay Hourly Wages and Overtime, (4) Failure to Pay Proper Reporting Time Wages, (5) Failure to Pay Proper Sick Pay, (6) Failure to Provide Accurate Written Wage Statements, (7) Failure to Timely Pay All Final Wages, (8) Failure to Pay Wages Due, Negotiable and Payable in Cash on Demand, (9) Failure to Indemnify for Reasonable Business Expenses, and (10) Unfair Competition under California Business and Professions Code section 17200, *et seq.* (“Released Class Claims”). Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, claims based on facts occurring outside the Class Period, or the Preserved Claims.

5.3 Release by Aggrieved Employees: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the allegations stated in the Operative Complaint and the PAGA Notice, including claims for (1) Failure to Provide Meal Periods, (2) Failure to Provide Rest Periods, (3) Failure to Pay Hourly Wages and Overtime, (4) Failure to Pay Proper Reporting Time Wages, (5) Failure to Pay Proper Sick Pay, (6) Failure to Provide Accurate Written Wage Statements, (7) Failure to Timely Pay All Final Wages, (8) Failure to Pay Wages Due, Negotiable and Payable in Cash on Demand, (9) Failure to Indemnify for Reasonable Business Expenses, and (10) violation of Labor Code section 2698, *et. seq.* (“Released PAGA Claims”).

6. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree that Plaintiffs will prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approval.

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

6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval Order to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Apex to serve as the Administrator and verified that, as a condition of appointment, Apex agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in

exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

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

7.4 Notice to Class Members.

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

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail and email, the Class Notice with Spanish translation, if applicable, substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than three (3) business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

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

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

7.5 Requests for Exclusion (Opt-Outs).

- 7.5.1 Any Class Member, other than Plaintiffs, may opt-out from the Settlement. Class Members who wish to exclude themselves from the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, last four digits of the Social Security Number of the Class Member requesting exclusion, address and email address and telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to submit a Request for Exclusion. Class Counsel shall not represent any Class Members with any such request.
- 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity.
- 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the

Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks and Pay Periods. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume, after consultation with Defendant's counsel, that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall not be appealable or otherwise susceptible to challenge by a Class Member. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel (Class Counsel's copy to have identifying information redacted) and the Administrator's determination to the challenges.

7.7 Objections to Settlement.

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

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed). At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to submit an objection. Class Counsel shall not represent any Class Members with any such objections.

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

7.7.4 Participating Class Members are not permitted to object to the PAGA portion of the Settlement.

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

- 7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representatives Service Payments, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.
- 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid). Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid) with the Class Members’ identifying information redacted.
- 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the validity of Requests for Exclusion.
- 7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods after consultation with Defendant’s counsel. The Administrator’s decision shall not be appealable or otherwise susceptible to challenge by a Class Member.
- 7.8.5 Administrator’s Declaration. Not later than 14 days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and

compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), and the number of written objections and attach the Exclusion List with Non-Participating Class Members identified by employee identification number only. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

- 7.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.
8. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE. Based on its records, Defendant estimates that, as of July 2, 2024, (1) there were 6,728 Class Members who collectively worked a total of 92,006 Workweeks during the Class Period, and (2) there were 1,144 Aggrieved Employees who worked 135,606 PAGA Pay Periods during the PAGA Period. If the final number of Workweeks worked by Class Members during the Class Period increases by more than 10% (i.e., 9,201), then Defendant shall have the option, in its sole discretion, to: (1) increase the Gross Settlement Amount proportionally by the number of Workweeks in excess of 101,206; or (2) end the Class Period on the date that the number of Workweeks worked does not exceed 101,206. For example, with respect to option 1, if the total number of Workweeks increases by 11%, then the Gross Settlement Amount will increase by 1%. Defendant agrees to provide the final number of Class Members, Workweeks, Aggrieved Employees, and PAGA Pay Periods to Class Counsel within 30 days of the full execution of this Agreement and if the escalator clause is triggered, to make its election between the two options within 30 days of the full execution of this Agreement. If this provision is triggered so as to increase the Gross Settlement Amount, the Parties agree that the portion of the Gross Settlement Amount allocated to attorneys' fees will increase proportionally such that the Class Counsel Fees Payment remains one-third of the increased Gross Settlement Amount.
9. DEFENDANT'S RIGHT TO RESCIND. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, Defendant will have sole and absolute discretion to rescind/void this Settlement. The Parties agree that, if Defendant rescinds, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement, including, without any limitation, any obligation by Defendant to pay the Gross Settlement Amount, or any amounts that otherwise would have been owed under this Agreement;

provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to rescind not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect. In the event the Settlement is terminated, the Parties shall proceed in all respects as if this Agreement had not been executed.

10. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than three (3) days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

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

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

10.3 **Continuing Jurisdiction of the Court.** The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys’ fees and costs, including expert witness fees incurred in connection with any enforcement actions.

10.4 **Waiver of Right to Appeal.** Provided the Judgment is materially consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this

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

10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representatives Service Payments or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

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

12. **ADDITIONAL PROVISIONS.**

12.1 Remand: For the purposes of this Settlement only, the Parties will stipulate to remand the *Dreher* Action to the Sacramento County Superior Court for approval of this Settlement. In the event the Court does not approve the Settlement, or the Settlement is rescinded pursuant to any provision herein, Plaintiffs agree to re-file the *Dreher* Action in the United States District Court, for the Eastern District of California, and the applicable statute(s) of limitations on Plaintiffs' claims will be tolled from the date the Action was originally filed.

12.2 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. The Parties enter into this Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Agreement, Defendant does not admit, and specifically denies, that it has violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Nothing in this Agreement is intended or should be construed as an

admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation or proceeding to establish any liability or admission of any nature on the part of Defendant, or to establish the existence of any condition constituting a violation of, or a non-compliance with any federal, state, local or other applicable law(except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.3 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, insurers, funders or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order, subpoena, or as required by law; (5) in response to an inquiry or subpoena issued by a state or federal government agency; or (6) in connection with public reporting requirements. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information prior to the filing of the Motion for Preliminary Approval of Settlement. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.4 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.5 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement

between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

- 12.6 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.7 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of the mediator and/or the Court for resolution.
- 12.8 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.9 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise. Defendant, Defense Counsel, the Settlement Administrator, and Class Counsel make no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiffs and Participating Class Members are not relying on any statement, representation, or calculation by Defendant, Defense Counsel, Class Counsel, or by the Settlement Administrator in this regard. Plaintiffs and Participating Class Members understand and agree that they will be solely responsible for the payment of any and all taxes and penalties assessed on their respective payments described herein and will defend, indemnify, and hold Defendant, Defense Counsel, Class Counsel, and the Settlement Administrator free and harmless from and against any claims resulting from treatment of such payments as non-taxable penalties/damages.
- 12.10 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 12.11 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors, heirs, or assigns of each of the Parties hereto, as previously defined.

- 12.12 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.13 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.14 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.15 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 12.16 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.17 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 12.18 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

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Emil Davtyan
emil@d.law
David Yeremian

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David Keledjian
d.keledjian@d.law
Enoch J. Kim
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David Arakelyan
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To Defendant:

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Facsimile: (213) 689-0430

Michael Y. Hsueh
michael.hsueh@jacksonlewis.com

160 W. Santa Clara St., Suite 400
San Jose, CA 95113-1708
Telephone: (408) 579-0404
Facsimile: (408) 454-0290

12.19 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

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

12.21 Representation by Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been executed with the consent and advice of counsel. Further, Plaintiffs and Class Counsel warrant and represent that there are no liens on the Agreement.

12-20-
Dated: _____, 2025

DocuSigned by:

85919EDF02A94AE...

Teddy Lawrence Dreher

Dated: _____, 2025

Cutrenia M. Saxon

Dated: 10/31, 2025



Curtisha Holden

160 W. Santa Clara St., Suite 400
San Jose, CA 95113-1708
Telephone: (408) 579-0404
Facsimile: (408) 454-0290

12.19 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

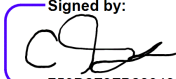
12.20 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a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

12.21 Representation by Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been executed with the consent and advice of counsel. Further, Plaintiffs and Class Counsel warrant and represent that there are no liens on the Agreement.

Dated: _____, 2025

Teddy Lawrence Dreher

Dated: 12/26/252025

Signed by:

750D2F3FB28049A...

Cutrenia M. Saxon

Dated: 10/31, 2025



Curtisha Holden

Dated: Nov 6, 2025


Luke Perry (Nov 6, 2025 10:53:12 PST)

Luke Perry

11/12
Dated: _____, 2025


Sam Schaeffer (Nov 12, 2025 09:09:55 PST)

Center for Employment Opportunities, Inc.

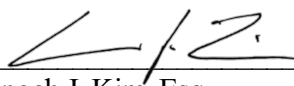
By: Sam Schaeffer

Its: Chief Executive Officer

AGREED AS TO FORM

Dated: 1/5, 2026

D.LAW, INC.



Enoch J. Kim, Esq.

Dated: 10/31, 2025

MATERN LAW GROUP, PC



Matthew J. Matern, Esq.

Deanna S. Leifer, Esq.

Dated: November 6, 2025

HAINES LAW GROUP, APC



Paul K. Haines, Esq.

Dated: 11/12, 2025

JACKSON LEWIS P.C.



Adam Y. Siegel, Esq.

Michael Y. Hsueh, Esq.

Exhibit A

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

Dreher, et al. v. Center for Employment Opportunities, Inc.
Case No. 23CV007758, Sacramento County Superior Court

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

YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE READ THIS NOTICE CAREFULLY.

You may be eligible to receive money from an employee class action lawsuit ("Action") against Center for Employment Opportunities, Inc. ("Defendant") for alleged wage and hour violations. The Action was filed by former employees, Teddy Lawrence Dreher, Cutrenia M. Saxon, Curtisha Holden, and Luke Perry ("Plaintiffs") and seeks payment of (1) wages and other relief for a class of hourly, non-exempt employees who worked for Defendant during the Class Period (September 16, 2021 to March 7, 2025) ("Class Members"); and (2) penalties under the California Private Attorney General Act ("PAGA") for all hourly, non-exempt employees who worked for Defendant during the PAGA Period (September 1, 2022 to March 7, 2025) ("Aggrieved Employees").

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

Based on Defendant's records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be \$_____ (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 Defendant's records you are not eligible for an Individual PAGA Payment under the Settlement because you didn't work during the PAGA Period.)

The above estimates are based on Defendant's records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ pay periods** during the PAGA Period. If you believe that you worked more workweeks or pay periods 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 do not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs' attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and require Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

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

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

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released 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. Defendant 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	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.

Written Objections Must be Submitted by	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 PAGA Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Workweeks and number of PAGA Pay Periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former employees of Defendant. The Action accuses Defendant of violating California labor laws by failing to pay overtime wages, minimum wages, and wages due upon termination, failing to pay reimbursable expenses, failing to provide meal periods and rest breaks, failing to pay proper reporting time, failing to pay proper sick pay, and failing to issue accurate itemized wage statements. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under PAGA. Plaintiffs are represented in the Action by the attorneys of D.Law, Inc, Matern Law Group, PC, and Haines Law Group, APC ("Class Counsel").

Defendant expressly denies any liability or wrongdoing of any kind associated with the claims alleged in the Action and those released as part of the settlement of the Action. Defendant further denies all material allegations set forth in the Action and has asserted numerous affirmative defenses. Defendant denies all wrongdoing and maintains, among other things, it has complied with federal and California law, including wage-and-hour laws, in all respects and that the members of the Class have been paid all monies that were due to them.

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

So far, the Court has made no determination whether Defendant or Plaintiffs are correct on the merits.

However, in order to avoid the time and expense of further litigation, the ultimate outcome of which is uncertain, and to provide a fair and reasonable resolution of this legal dispute, Plaintiffs and Defendant hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an 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 Defendant have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Defendant Will Pay \$2,299,500.00 as the Gross Settlement Amount. Defendant has agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the LWDA.
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 Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - a. Up to \$766,500.00 (one-third of the Gross Settlement to Class Counsel for attorneys’ fees) and up to \$40,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - b. Up to \$10,000.00 for each Plaintiff as a Class Representative Service Payment for filing the Action, working with Class Counsel and representing the Class. A Class Representative Service Payment will be the only monies Plaintiffs will receive other than Plaintiffs’ Individual Class Payment and any Individual PAGA Payment.
 - c. Up to \$40,000.00 to the Administrator for services administering the Settlement.
 - d. Up to \$100,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA 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 Amount (the “Net Settlement Amount”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiffs and Defendant are asking the Court to approve an allocation of 15% of each Individual Class Payment to taxable wages (“Wage Portion”) and 85% to interest and penalties (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be transmitted to Legal Aid of Northern California and Legal Aid of Southern California, non-profit organizations providing legal services to the indigent.
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 signed letter from a Class Member or his/her representative setting forth a Class Member’s name, last four digits of the Class Member’s Social Security Number, 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 the Released Class Claims against Defendant.

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

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline

enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.

8. Administrator. The Court has appointed a neutral company, Apex Class Action LLC (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also preside over Class Member Challenges over Workweeks and PAGA Pay Periods, mail and remail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
9. Participating Class Members’ Release. After the Judgment is final and Defendant has fully funded the Gross Settlement Amount 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 and the other Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the allegations and causes of action stated in the Operative Complaint, including claims for Failure to Provide Meal Periods, (2) Failure to Provide Rest Periods, (3) Failure to Pay Hourly Wages and Overtime, (4) Failure to Pay Proper Reporting Time Wages, (5) Failure to Pay Proper Sick Pay, (6) Failure to Provide Accurate Written Wage Statements, (7) Failure to Timely Pay All Final Wages, (8) Failure to Pay Wages Due, Negotiable and Payable in Cash on Demand, (9) Failure to Indemnify for Reasonable Business Expenses, and (10) Unfair Competition under California Business and Professions Code section 17200, *et seq.* (“Released Class Claims”).

“Released Parties” means Defendant and each of its former and present directors, officers, employees, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and Defendant has paid the Gross Settlement Amount (and separately paid the employer-side payroll taxes), all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, will be barred from asserting the Released PAGA Claims (as defined below) and will be bound by the following release:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs,

administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the allegations stated in the Operative Complaint and the PAGA Notice, including claims for (1) Failure to Provide Meal Periods, (2) Failure to Provide Rest Periods, (3) Failure to Pay Hourly Wages and Overtime, (4) Failure to Pay Proper Reporting Time Wages, (5) Failure to Pay Proper Sick Pay, (6) Failure to Provide Accurate Written Wage Statements, (7) Failure to Timely Pay All Final Wages, (8) Failure to Pay Wages Due, Negotiable and Payable in Cash on Demand, (9) Failure to Indemnify for Reasonable Business Expenses, and (10) violation of Labor Code section 2698, *et. seq.* (“Released PAGA Claims”).

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of 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 \$25,000.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee.

Workweek/Pay Period Challenges. The number of Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant’s records, are stated in the first page of this Notice. You have until [REDACTED] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator’s contact information.

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

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn’t

opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.

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

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

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

Submit a written and signed letter with your name, last four digits of your Social Security Number, present address, telephone number, email address and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request to be excluded. Be sure to personally sign your request, identify the Action as *Dreher, et al. v. Center for Employment Opportunities, Inc.*, and include your identifying information (full name, last four digits of your Social Security Number, address, telephone number, and email address). 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 Defendant 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 Payment stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as Class Representatives Service Payments. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website _____ or the Court's website _____.

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 *Dreher, et al. v. Center for Employment Opportunities, Inc.* and include your name, last four digits of your Social Security Number, current address, telephone number, and email

address and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object by attending the Final Approval Hearing. You 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 _____ in Department 22 of the Sacramento Superior Court, located at 720 Ninth Street, Sacramento, CA 95814. 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 via Zoom (<https://saccourt-ca-gov.zoomgov.com/my/sscdept22>). You can log in by calling the Court as follows:

Phone Number: 833-568-8864
ID: 16184738886

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, the Court's website (<https://prod-portal-sacramento-ca.journaltech.com/public-portal/?q=Home>), or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to _____'s website at _____. 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://prod-portal-sacramento-ca.journaltech.com/public-portal/?q=Home>) and entering the Case Number for the Action, Case No. 23CV007758. You can also make an appointment to personally review court documents in the Clerk's Office at the Godron D. Schaber Courthouse by calling (916) 874-5522.

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

Class Counsel:
D.Law, Inc.

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David Keledjian
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David Arakelyan
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jgordon@haineslawgroup.com
2155 Campus Drive, Suite 180
El Segundo, CA 90245
Telephone: (424) 292-2350
Facsimile: (424) 292-2355

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.

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.

Class and PAGA Settlement Agreement Draft (Dreher) - signed by LP, PKH - for Schaeffer

Final Audit Report

2025-11-12

Created:	2025-11-10
By:	Camila Rodriguez (camrodriguez@ceoworks.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAJN5254ldgs-jQKvJc8L5nGHsGBLUoRw

"Class and PAGA Settlement Agreement Draft (Dreher) - signed by LP, PKH - for Schaeffer" History

-  Document created by Camila Rodriguez (camrodriguez@ceoworks.org)
2025-11-10 - 10:33:58 PM GMT
-  Document emailed to Sam Schaeffer (sschaeffer@ceoworks.org) for signature
2025-11-10 - 10:37:52 PM GMT
-  Email viewed by Sam Schaeffer (sschaeffer@ceoworks.org)
2025-11-10 - 10:38:06 PM GMT
-  Document e-signed by Sam Schaeffer (sschaeffer@ceoworks.org)
Signature Date: 2025-11-12 - 5:09:55 PM GMT - Time Source: server
-  Agreement completed.
2025-11-12 - 5:09:55 PM GMT

EXHIBIT 2

VIA ON-LINE SUBMISSION AND MAIL:

<https://dir.tfaforms.net/128> (copy by certified mail to all Defendants)

Private Attorneys General Act
Attn. PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

Sarah Glenn-Leistikow, Agent for Service of Process
Center for Employment Opportunities, Inc.
1320 E. 7th, Suite 260
Los Angeles, CA 90021
Certified Mail Tracking Number: 9589 0710 5270 0172 5266 57

**Re: Labor Code § 2698, *et seq.* Penalties – PAGA Notice Letter to the LWDA
*Dreher v. Center for Employment Opportunities, Inc., et al.***

Gentlepersons:

This office represents Plaintiff Teddy Lawrence Dreher (“Plaintiff”) and other similarly situated aggrieved employees (collectively “Aggrieved Employees”) for violations of California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 226.8, 246, 510, 512, 515, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq.*, and 2802; provisions of the Industrial Welfare Commission (IWC) Wage Order(s); and California Business & Professions Code § 17200 *et seq.*

The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et seq.* (“the Act”). Plaintiff would like to bring a representative action, pursuant to the Act, on behalf of himself and all other similarly situated Aggrieved Employees, and the State of California, against Defendants, Center for Employment Opportunities, Inc., and DOES 1 through 50 inclusive (all defendants being referred to herein collectively as “Defendants”).

Additionally, this correspondence will serve to satisfy the notice requirements under the Act, along Plaintiff’s Class Action Complaint, attached hereto and incorporated by reference herein. The Complaint is being concurrently filed in Sacramento County Superior Court and will be assigned a local case number. The Complaint allegations and claims are incorporated into this Notice Letter.

We also set forth herein the facts and theories and the California Labor Code violations which Defendants engaged in with respect to Plaintiff and all of their Aggrieved Employees in California. The Class Action Complaint provides the details of Plaintiff’s class-wide claims and claims under the Act, and the applicable California law governing them. It, along with this Notice Letter, addresses in detail numerous violations that subject Defendants to civil and statutory penalties under the Act.



Relevant Facts

Aggrieved Employees were employed by Defendants as non-exempt employees within the state of California within the statutory time period who suffer or suffered from the same wage and hour violations outlined below. The Aggrieved Employees herein are defined as: all individuals employed by Defendants and/or any staffing agencies and/or any other third parties in hourly or non-exempt positions in California, at any time one (1) year prior to the submission of this letter (hereinafter, “Aggrieved Employees”).

Defendants had a common policy and practice of systemically failing to pay Plaintiff and Aggrieved Employees proper wages and overtime for all hours worked, at the proper rates of pay. First, Defendants implemented an unlawful time-rounding policy and practice which rounded down and reduced the actual working hours recorded by Plaintiff and Aggrieved Employees, and upon which their pay was based, and generally did so to the detriment of the Plaintiff and Aggrieved Employees, and these unlawfully rounded time entries were inputted into Defendants’ payroll system from which wage statements and payroll checks were created. Defendants did so with the ostensible intent of paying Plaintiff and Aggrieved Employees only for the hours they were scheduled to work, rather than the hours they were actually under Defendants’ control. Plaintiff contends this policy is not neutral and results, over time, to the detriment of the Plaintiff and Aggrieved Employees by systematically undercompensating them.

Next, Plaintiff and Aggrieved Employees were also consistently required to perform work, off-the-clock, for which they were not paid wages. Specifically, Plaintiff and Aggrieved Employees were systemically required to attend weekly training sessions, for which no wages were paid. The forgoing and uncompensated working time was under the direction and control of Defendants, for which no wages were paid.

This uncompensated time caused Plaintiff and Aggrieved Employees to work in excess of eight (8), ten (10) and/or twelve(12) hours a day and/or forty (40) hours a week, entitling Plaintiff and Aggrieved Employees to minimum and overtime wages, which they were systemically denied.

Defendants had a common policy and practice of systemically denying Plaintiff and Aggrieved Employees the opportunity to take meal periods in compliance with the California Law. Specifically, Plaintiff and Aggrieved Employees were prohibited from leaving the work premises during meal periods, when such meal periods were taken. Additionally, due to understaffing and heavy workloads, Plaintiff and Aggrieved Employees were denied the opportunity to take timely meal periods prior to the completion of their fifth hour of work. Furthermore, Plaintiff and Aggrieved Employees were not relieved of all work duties during unpaid meal periods.

Plaintiff and Aggrieved Employees were not provided with meal periods of at least thirty (30) minutes for each five (5) hour work period due to (1) Defendants’ policy of not scheduling each meal period as part of each work shift; (2) no formal written meal policy that encouraged employees to take their meal periods, or that advised Aggrieved Employees of their meal and rest period rights; and (3) Defendants’ practice of requiring putative Aggrieved Employees to continue working through their meal and rest periods due to the excessive workload. Additionally, the uncompensated time spent waiting for the time clock to boot-up, and the mandatory security lines,



denied Plaintiff and Aggrieved Employees the opportunity to take their full rest periods as well as their full duty free, 30-minute meal periods, and prior to the completion of their fifth hour of work.

Defendants had a common policy and practice of systemically denying Plaintiff and Aggrieved Employees the opportunity to take meal periods in compliance with the California Law. Plaintiff and Aggrieved Employees were not provided with rest periods of at least ten (10) minutes for each four (4) hour work period, or major fraction thereof, due to (1) Defendants' policy of not scheduling each rest period as part of each work shift, including second rest breaks for shifts of six (6) hours or more; (2) no formal compliant written rest period policy that encouraged employees to take their rest periods, or that properly advised Plaintiff and Aggrieved Employees of their rest period rights; (3) Defendants' policy and practice of requiring Plaintiff and Aggrieved Employees to remain on the premises during their rest breaks; (4) Defendants' policy and practice of requiring putative Aggrieved Employees to continue working through their rest breaks due to the excessive workload and having to keep, maintain, and monitor their personal cellular phones, to respond to work-related messages during unpaid breaks.

Furthermore, Defendants failed to pay Plaintiff and Aggrieved Employees premium pay wages at their appropriate regular rates of pay for each meal and rest period denied.

Defendants also had a common policy and practice of failing to pay Plaintiff and Aggrieved Employees all reporting time pay to which they were entitled under California Law. Specifically, Plaintiff and Aggrieved Employees were required to call in or otherwise show up to work without being paid half of their usual or scheduled day's work.

Plaintiff and Aggrieved Employees were not provided with accurate wage statements as mandated by law pursuant to Labor Code section 226. Specifically, Defendants failed to issue wage statements as "a detachable part of the check, draft, or voucher paying the employee's wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing." Additionally, the wage statements issued to Plaintiff and Aggrieved Employees were not recorded in "ink or other indelible form." Defendants failed to comply with Labor Code section 226(a)(1) as "gross wages earned" were not accurately reflected in that: all hours worked, including overtime, were not included. Defendants failed to comply with Labor Code section 226(a)(2) as "total hours worked by the employee" were not accurately reflected in that: all hours worked, including overtime, were not included. Defendants failed to comply with Labor Code section 226(a)(5) as "net wages earned" were not accurately reflected in that: all hours worked, including overtime, were not included. Defendants failed to comply with Labor Code section 226(a)(9) as "all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee" were not accurately reflected in that: all hours worked, including overtime, were not included. Furthermore, Defendants failed to provide Plaintiff and Aggrieved Employees with paper pay stubs as required by Labor Code § 226, applicable Wage Orders, and DLSE Opinion Letters. Plaintiff's and Aggrieved Employees' wage statement were only provided in electronic format in violation of Labor Code § 226.

Plaintiff and Aggrieved Employees were not reimbursed for business expenses incurred in



executing their duties under Defendant's employ. Specifically, Plaintiff and Aggrieved Employees were required to purchase cellular phones, and cellular phone service pro for work related purposes. Plaintiff and Aggrieved Employees were not reimbursed for these necessary work-related expenses.

Finally, Defendants had a common policy and practice of systemically failing to pay Plaintiff and Aggrieved Employees the requisite sick time pay in accordance with California Law. Specifically, Plaintiff and Aggrieved Employees worked for Defendants for more than 30 days, but were not paid at least one hour of sick pay for every 30 hours of work, or at least 3 days of sick time for every 12 month period of work.

PAGA Claim Details, Legal Bases for Violations and Penalties:

As addressed above and in further detail in the Class Action Complaint, Plaintiff and the Aggrieved Employees complain of the following violations committed by Defendants:¹

Failure to Pay Minimum Wages

Defendants violated the law by failing to pay Aggrieved Employees minimum wages for all hours worked. California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states, "[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful." The applicable minimum wages fixed by the commission for work during the relevant period is found in the Wage Orders.

In California, employees must be paid at least the then applicable state minimum wage for all hours worked, including under Labor Code § 1197, IWC Wage Order MW-2014, and paragraphs 2(K), 2(S), and 4(A)-4(C) of the applicable IWC Wage Orders. Paragraph 2(H) of the applicable IWC Wage Orders defines "Hours Worked" as "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." Additionally, pursuant to Labor Code § 204, other applicable laws and regulations, and public policy, an employer must timely pay its employees for all hours worked. Defendants failed to do so.

California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states: "The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful." The minimum wage provisions of California Labor Code are enforceable by private civil action pursuant to Labor Code § 1194(a) which states: "Notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee

¹ Plaintiff hereby reserves the right to seek penalties on behalf of all Aggrieved Employees, for Defendants' violations of the applicable provisions of the Labor Code, suffered by Aggrieved Employees, but not directly suffered by Plaintiff under *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal.App.5th 745.



is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney's fees and costs of suit."

As described in California Labor Code §§ 1185 and 1194.2, any action for wages incorporates the applicable Wage Order of the California Industrial Welfare Commission. Also, California Labor Code §§ 1194, 1197, 1197.1 and those Industrial Welfare Commission Wage Orders entitle non-exempt employees to an amount equal to or greater than the minimum wage for all hours worked. All hours must be paid at the statutory or agreed rate, or at the minimum rate in the absence of a contractually agreed upon one. The underpayment of wages to Aggrieved Employees is and has been a direct consequence of Defendants' unlawful compensation policies and practices, which applied uniformly to the Aggrieved Employees working at locations and work sites throughout California.

Defendants had a common policy and practice of systemically failing to pay Plaintiff and Aggrieved Employees proper wages and overtime for all hours worked, at the proper rates of pay. First, Defendants implemented an unlawful time-rounding policy and practice which rounded down and reduced the actual working hours recorded by Plaintiff and Aggrieved Employees, and upon which their pay was based, and generally did so to the detriment of the Plaintiff and Aggrieved Employees, and these unlawfully rounded time entries were inputted into Defendants' payroll system from which wage statements and payroll checks were created. Defendants did so with the ostensible intent of paying Plaintiff and Aggrieved Employees only for the hours they were scheduled to work, rather than the hours they were actually under Defendants' control. Plaintiff contends this policy is not neutral and results, over time, to the detriment of the Plaintiff and Aggrieved Employees by systematically undercompensating them.

Next, Plaintiff and Aggrieved Employees were also consistently required to perform work, off-the-clock. Specifically, Plaintiff and Aggrieved Employees were systemically required to attend weekly training sessions, for which no wages were paid. The forgoing and uncompensated working time was under the direction and control of Defendants, for which no wages were paid.

Defendants have the ability to pay minimum and overtime wages for all time worked and have willfully refused to pay such wages with the intent to secure for Defendants a discount upon this indebtedness with the intent to annoy, harass, oppress, hinder, delay, or defraud Plaintiff and Aggrieved Employees.

In light of the forgoing, the Aggrieved Employees seek to recover wages and penalties. Aggrieved Employees are entitled to recover the unpaid minimum wages (including double minimum wages), liquidated damages in an amount equal to the minimum wages unlawfully unpaid, interest thereon and reasonable attorney's fees and costs of suit pursuant to California Labor Code § 1194(a). Plaintiff and the other Aggrieved Employees further request recovery of all unpaid wages, according to proof, interest, statutory costs, as well as the assessment of any statutory and civil penalties against Defendants, in a sum as provided by the California Labor Code and/or other applicable statutes, including pursuant to Labor Code § 558, and Wage Order provisions. To the extent minimum wage compensation is determined to be owed to the Aggrieved Employees who have terminated their employment, Defendants' conduct also violates Labor Code §§ 201 and/or



202, and therefore these individuals are also be entitled to waiting time penalties under California Labor Code § 203, which penalties are sought herein on behalf of these Aggrieved Employees. Defendants' failure to timely pay all wages owed also violated Labor Code § 204 and resulted in violations of Labor Code § 226 because they resulted in the issuance of inaccurate wage statements. Defendants' conduct as alleged herein was willful, intentional and not in good faith. Further, Plaintiff and other Aggrieved Employees are entitled to seek and recover statutory costs.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Pay Wages and Overtime in Violation of Labor Code § 510

Defendants violated the law by failing to pay Plaintiff and Aggrieved Employees earned wages and overtime. Specifically, Plaintiff and Aggrieved Employees consistently worked in excess of eight (8), ten (10), and twelve (12) hours a day, and/or forty (40) hours a week. However, Plaintiff and Aggrieved Employees were not paid overtime wages for hours worked in excess of 8 hours a day. Moreover, the uncompensated time, discussed above caused Plaintiff and Aggrieved Employees to work in excess of eight (8), ten (10), and twelve (12) hours a day and/or 40 hours a week, further entitling Plaintiff and Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code § 510 and applicable Wage Orders.

Defendants have violated Labor Code § 1194 and Labor Code § 510 (and paragraphs 2(K), 2(S), 3(A) and 4(A)-4(B) of the relevant orders of the Industrial Welfare Commission) by failing to pay Employees: (a) time and one-half their regular hourly rates for hours worked in excess of eight hours in a workday or in excess of forty hours in any workweek or for the first eight hours worked on the seventh day of work in any one workweek; or (b) twice their regular rate of pay for hours worked in excess of twelve hours in any one day or for hours worked in excess of eight hours on any seventh day of work in a workweek. Defendants had a consistent policy of not paying Employees wages for all hours worked, including by requiring off the clock work as addressed above and by under-reporting actual hours worked. With work shifts generally requiring eight hours or more of work on a given day, this unpaid off the clock work resulted in Aggrieved Employees working past eight hours on a shift or more than forty hours in a week, which required that they be paid at the correct overtime rate of 1.5 times their regular rate.

When considered in combination with the other wage violations addressed above, Aggrieved Employees were not properly compensated, nor were they paid overtime and double time rates for hours worked in excess of 8, 10, and 12 hours in a given day, and/or forty hours in a given week. Defendants did not make available to Employees a reasonable protocol for correcting time records when Employees worked overtime hours or to fix incorrect time entries or those that Defendants unlawfully under-recorded to the Employee's detriment. Defendants have also violated these provisions by requiring Plaintiff and other similarly situated Aggrieved Employees to work through meal periods when they were required to be clocked out or to otherwise work off the clock to complete their daily job duties.



In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to the California Labor Code, including Labor Code §§ 204, 510, 558, 1174, 1194, 1198, 1199, and the relevant paragraphs of the IWC Wage Orders, including paragraphs 2(K), 2(S), 3(A), 4, and 20. Defendants are liable to Employees for the full amount of all their unpaid wages and overtime compensation, with interest, plus their reasonable attorneys' fees and costs, as well as the assessment of any statutory penalties against Defendants, and each of them, and any additional sums as provided by the Labor Code and/or other statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Meal-Period Liability Under Labor Code §§ 226.7 and 512 and Penalties

Defendants had a common policy and/or practice of denying Plaintiff and Aggrieved Employees proper meal periods which were neither properly recorded nor tracked by Defendants. Specifically, Plaintiff and Aggrieved Employees were denied meal periods altogether. Additionally, Plaintiff and Aggrieved Employees were not provided with meal periods prior to the completion of each five hours of work. Moreover, Defendants had a common policy and practice of requiring Plaintiff and Aggrieved Employees to remain on the premises during whatever meal periods were taken all in violation of Labor Code and applicable Wage Orders.

Defendants also failed to pay Aggrieved Employees "premium pay," i.e. one hour of wages at each Aggrieved Employee's effective regular rate of pay, for each meal period that Defendants failed to provide or deficiently provided, including by miscalculating any premium payments they did make. Therefore, pursuant to Labor Code § 226.7 and paragraphs 11 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each meal period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2) and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Rest-Break Liability Under Labor Code § 226.7 and Penalties

Defendants have consistently failed to provide Plaintiff and Aggrieved Employees with paid rest breaks of not less than 10 minutes for every work period of 4 or more consecutive hours, as required by Labor Code. Specifically, Plaintiff and Aggrieved Employees were required to work through their rest breaks, which were systemically denied. Additionally, Plaintiff and Aggrieved Employees were prohibited from leaving the premises during whatever rest breaks were taken. Finally, and just as the meal periods above, Defendants had a common policy and practice of



requiring Plaintiff and Aggrieved Employees to carry and monitor their personal cellular phones and respond to work-related messages during rest breaks.

Defendants also failed to pay Aggrieved Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided, or miscalculated any premiums paid. Therefore, pursuant to Labor Code § 226.7 and paragraphs 12 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each rest period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Reimburse for Necessary Business Expenditures in Violation of Labor Code § 2802

Defendants have consistently required Plaintiff and Aggrieved Employees to incur necessary business expenses in the execution of their duties under Defendants' employ. Specifically, Plaintiff and Aggrieved Employees were required to pay the costs of maintaining and cleaning their work gloves, safety vests, goggles, hard hats, boots, and various other safety gear all necessary to perform, their duties under Defendants' employ. Plaintiff and Aggrieved Employees were not reimbursed for these necessary work-related expenses in violation of Labor Code § 2802. Defendants systematically and uniformly failed to reimburse those lawful and necessary work related expenses or losses incurred in direct discharge of their job duties during employment with Defendants and at the direction of the Defendants pursuant to Labor Code § 2802(a) and the applicable IWC Wage Orders, paragraph 9. Defendants are liable for PAGA penalties resulting from their failure to reimburse necessary business expenses incurred by the Aggrieved Employees. Accordingly, Aggrieved Employees are entitled to recover, and hereby seek through this Representative Action, all civil and statutory penalties authorized for violations of California Labor Code §§ 1198 and 2802, and Section 9(B) of the applicable IWC Wage Orders, and Plaintiff seeks all civil and statutory penalties available and applicable under Labor Code §§ 2802 and 2699(f)(2), and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Pay Proper Reporting Time Pay

The IWC Wage Orders, require that reporting time pay be provided to any employee who is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work.

Plaintiff is informed and believes and thereon alleges that all or substantially all of the Aggrieved Employees are subject to Defendants' policies and practices requiring them to call in or otherwise show up to work but not being paid half said their usual or scheduled day's work.



Therefore, Aggrieved Employees are owed the unpaid balance of said wages pursuant to the Wage order according to proof at trial, Interest pursuant to Labor Code §§ 218.6 and 1194(a).

Failure to Pay Proper Sick Time Pay in Violation of Labor Code § 246

Labor Code Section 246 affords an employee “who works in California for 30 or more days within a year from the commencement of employment [] paid sick days . . . of not less than one hour per every 30 hours worked” and “no less than 24 hours of accrued sick leave or paid time off by the 120th calendar day of employment or each calendar year, or in each 12-month period.”

Defendants had a common policy and practice of systemically failing to pay Plaintiff and Aggrieved Employees the requisite sick time pay in accordance with California Law. Specifically, Plaintiff and Aggrieved Employees worked for Defendants for more than 30 days, but were not paid at least one hour of sick pay for every 30 hours of work, or at least 3 days of sick time for every 12 month period of work.

Therefore, Aggrieved Employees are owed the unpaid balance of said wages pursuant to the Wage order according to proof at trial, interest pursuant to Labor Code §§ 218.6 and 1194(a).

Failure to Issue Accurate and Itemized Wage Statements in Violation of Labor Code § 226

California Labor Code § 226(a) requires an employer to furnish each employee with an accurate, itemized wage statements in writing. These statements must be appended to the detachable part of the check, draft, voucher, or whatever else serves to pay the employee’s wages; or, if wages are paid by cash or personal check, these statements may be given to the employee separately from the payment of wages; in either case the employer must give the employee these statements twice a month or each time wages are paid. As a direct and proximate cause of Defendants’ violation of Labor Code § 226(a), Aggrieved Employees suffered injuries, including among other things confusion over whether they received all wages owed them, the difficulty and expense involved in reconstructing pay records, and forcing them to make mathematical computations to analyze whether the wages paid in fact compensated them correctly for all hours worked.

Defendants failed to provide Aggrieved Employees with accurate itemized wage statements in writing, as required by the Labor Code. Specifically, Defendants failed to provide Employees with accurate itemized wage statements in writing, as required by the Labor Code. The wage statements given to Aggrieved Employees failed to accurately account for unpaid wages, overtime, premium pay for deficiently provided meal periods and rest breaks.

In light of these violations, and pursuant to Labor Code §§ 226(a) and 226(e) and paragraphs 4(b), 7, and 20 of the applicable IWC Wage Orders, Aggrieved Employees are 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) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000). They are also entitled to an award of costs and reasonable attorneys’ fees.



Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to provide Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code § 226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, ..."

Failure to Issue Semimonthly Payments in Violation of Labor Code § 204

In failing to pay Aggrieved Employees wages, overtime, premium pay, etc., and failing to provide them with checks and wage statements, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as well as the meal and rest periods taken by Aggrieved Employees, as required by Labor Code § 1174 and the applicable IWC wage orders.

Defendants also required Aggrieved Employees to work hours off the clock for which they were not compensated, including during interrupted or otherwise on-duty meal and rest periods. Defendants also failed to pay all overtime premium wages owed for work conducted on a work shift and a workday or miscalculated these premiums by not including all forms of remuneration in the regular rate, as addressed above. Therefore, when Aggrieved Employees received wage statements and pay checks, they did not compensate all hours worked on a timely basis, resulting in Defendants' systematic failure to pay all wages owed to Aggrieved Employees twice monthly in accordance with the requirements of Labor Code § 204. Additionally, by not providing wage statements as required under section 204, Defendants systematically violated Labor Code § 204 and § 226.

Given the above described off the clock work, Plaintiff was not paid at the correct overtime rate for all hours he worked after eight hours into a shift or over forty in a work week and that he was not paid all double time owed either. Defendants' uniformly applied payroll policies and practices thus resulted in further systematic and ongoing violations of the requirements of Labor Code § 204.

In light of the foregoing, Plaintiff and Aggrieved Employees seek to recover wages and penalties, interest, fees and costs pursuant to Labor Code §§ 201.3, 210, 218.5, 558, and 1194. In failing to pay Aggrieved Employees minimum wages and overtime, off the clock work, by not providing proper meal and rest periods, failing to provide accurate itemized wage statements, and failing to pay Employees wages upon termination or timely upon resignation, all discussed above, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required



under Labor Code § 204. Defendants also failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as required by Labor Code § 1174 and paragraph 7 of the applicable IWC Wage Orders, entitling Aggrieved Employees to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 203, 204, 2926, 2927, and 2699.5 seeking all civil penalties available and applicable under Labor Code §§ 204, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Keep Records In Accordance With Labor Code §§ 1174

Labor Code § 1174 requires employers to keep records showing payroll data and the hours worked daily by and the wages paid to employees. By failing to pay Aggrieved Employees proper wages, overtime, double time, premium pay, etc., and by not recording meal period start and end times, all discussed herein, Defendants failed to maintain proper employment records in accordance with Section 1174. In light of the forgoing, Plaintiff and Aggrieved Employees seek to recover penalties pursuant to Labor Code §§ 1174.5 and 2699, *et seq.* Defendants have also failed to comply with paragraph 7 of the applicable California IWC Wage Orders by failing to maintain time records showing when the employee begins and ends each work period, meal periods, wages earned pursuant to Labor Code § 226.7, and total daily hours worked by itemizing in wage statements all deductions from payment of wages and accurately reporting total hours worked by the Aggrieved Employees, and they are entitled to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to provide Plaintiff and the Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, 1198, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 558, 1174.5, 1199, and 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Waiting Time Penalties Pursuant to Labor Code § 203

Some Aggrieved Employees no longer work for Defendants; they either resigned or were terminated from Defendants' employ. Based on the forgoing, Defendants have had a consistent policy of failing to pay all wages earned by and owed to Aggrieved Employees at the time of their termination of within seventy-two hours of their resignation, as required by California under Labor Code § 203. In light of the forgoing, Plaintiff and Aggrieved Employees seek to recover wages and penalties pursuant to Labor Code § 558 and further specifically seek penalties and wages under Labor Code § 203, which provides that an employee's wages shall continue until paid for up to thirty (30) days from the date they were due.



Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199, 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Unfair Competition Under Business and Professions Code § 17200, et seq.

Consequently, Defendants' conduct has been and continues to be unfair, unlawful, and harmful to Plaintiff and Aggrieved Employees and the general public in violation of Business & Professions Code § 17200 *et seq.*

Plaintiff's PAGA Claim under Labor Code § 2698 et seq. and Recovery Bases:

After complying with the notice procedures of Labor Code § 2699.3 and the running of the notice period after the filing of the Class Action Complaint, Plaintiff will file an amended Complaint asserting, as a representative action on behalf of the California Attorney General and the other similarly Aggrieved Employees, a PAGA claim for violations of the above addressed underlying claims and seeking penalties as specified by the applicable corresponding provisions.

Plaintiff and the Aggrieved Employees seek penalties under Labor Code §§ 2698 and 2699 for Defendants' violation of Labor Code provisions included under Labor Code § 2699.5, including the penalty provisions, without limitation, based, *inter alia*, on the following California Labor Code sections: §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq.*, and 2802, including as follows:

(a) **Wage Claims:** For failure to provide Plaintiff and the Aggrieved Employees all earned regular pay and minimum wages for regular hours worked and for failure to pay overtime premium wages for overtime hours worked, failure to pay proper reporting time and sick pay under Labor Code §§ 246, 510, 1194(a), 1197, and 1198, and paragraphs 2(K), 3(A), 4(A), 4(B) and 20 of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable under Labor Code §§ 246, 510, 558, 1194.2, 1197.1, 1198, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(b) **Meal and Rest Period Claims:** For failure to provide Plaintiff and the Aggrieved Employees off-duty, timely, and unpaid meal periods and failure to authorize and permit them to take off-duty, timely, and paid rest periods, or pay one hour of regular pay in lieu thereof, under Labor Code §§ 512, 1198, and 226.7, and Sections 11, 12(A), and 12(B) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable, including under paragraph 20 of the applicable IWC Wage Orders, and wages under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199 and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);



(c) Inaccurate Wage Statements and Failure to Maintain Records: For failure to provide Plaintiff and the Aggrieved Employees with wage statements or with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code § 226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, ...";

(d) Failure to Timely Pay Wages: For failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(e) Failure to Reimburse Business Expenses: For Defendants' failure to reimburse the necessary work related expenses incurred under Labor Code §§ 1197, 1197.1, 1198, and 2802, and Sections 2(K), 4, 9, and 20 of the applicable IWC Wage Order(s), seeking civil penalties available and applicable under Labor Code §§ 1197, 1197.1, 1198, 2802, 2699.5, and 2699(f)(2) and paragraph 9 and 20 of the IWC Wage Orders, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(g) All Alleged Violations of the IWC Wage Orders: For any above addressed violation of the applicable provisions of the IWC Wage Orders constituting violations of Labor Code § 1198 and Labor Code § 2699.5, and seeking penalties available and applicable under Labor Code § 2699(f)(2) and paragraph 20 of the applicable IWC Wage Orders, and for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

We have been constrained to initially move forward with the filing of this Complaint, alleging the causes of action discussed herein, without the PAGA claim. Thus, any action by the LWDA would not resolve the entirety of the case, and the interest of judicial economy will be served by allowing the case to proceed as a cohesive whole.

This letter and the attached Complaint therefore provide the requisite notice under the Act to the LWDA and Defendants by setting forth the specific provisions of the Labor Code and related provisions Plaintiff alleges have been violated, including the facts and relevant theories alleged against Defendants and joint employers. To prevent the violations described in the Complaint and herein from occurring, and to remedy past violations, Plaintiff respectfully requests that the LWDA conduct an investigation into Defendants' employment practices in accordance with the Act.



Wherefore we request that you advise us, by certified mail within sixty days of the postmark on this letter, whether you intend to proceed with these claims or whether Plaintiff and the Aggrieved Employees should include them in an amended Labor Code § 2698 *et seq.* claim under the Act in an amended Complaint.

Regards,

D.LAW, INC.

A handwritten signature in blue ink, appearing to read 'David Yeremian', written over the printed name.

David Yeremian

Cc: Center for Employment Opportunities, Inc., by Certified Mail

D.LAW, INC.
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Attorneys for Plaintiff TEDDY LAWRENCE DREHER

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

Error! Reference source not found.
DREHER, on behalf of himself and all others
similarly situated, and the general public,

Plaintiff,

v.

CENTER FOR EMPLOYMENT
OPPORTUNITIES, INC., a New York
corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No.:

CLASS ACTION COMPLAINT

1. Failure to Provide Meal Periods (Lab. Code §§ 204, 223, 226.7, 512 and 1198);
2. Failure to Provide Rest Periods (Lab. Code §§ 204, 223, 226.7 and 1198);
3. Failure to Pay Hourly Wages and Overtime (Lab. Code §§ 223, 510, 1194, 1194.2, 1197, 1997.1 and 1198);
4. Failure to Pay Proper Reporting Time Wages;
5. Failure to Pay Proper Sick Pay (Lab. Code § 246);
6. Failure to Provide Accurate Written Wage Statements (Lab. Code §§ 226(a));
7. Failure to Timely Pay All Final Wages (Lab. Code §§ 201, 202 and 203);
8. Failure to Indemnify (Lab. Code § 2802); and
9. Unfair Competition (Bus. & Prof. Code §§ 17200 *et seq.*);

JURY TRIAL DEMANDED

1 Plaintiff TEDDY LAWRENCE DREHER (“Plaintiff”), on behalf of himself, all others
2 similarly situated, and the general public, complain and allege as follows:

3 **INTRODUCTION**

4 1. Plaintiff brings this class action against Defendants CENTER FOR EMPLOYMENT
5 OPPORTUNITIES, INC., a California corporation; and DOES 1 through 50, inclusive, (collectively
6 referred to as “Defendants”) for alleged violations of the California Labor Code and California
7 Business and Professions Code. As set forth below, Plaintiff alleges that Defendants have:

- 8 a. failed to pay them overtime wages at the correct rate;
- 9 b. failed to pay them double time wages at the correct rate;
- 10 c. failed to pay them overtime and/or double time wages by failing to include all
11 applicable remuneration in calculating the regular rate of pay;
- 12 d. failed to provide them with meal periods;
- 13 e. failed to provide them with rest periods;
- 14 f. failed to pay them premium wages for missed meal and rest periods;
- 15 g. failed to pay them proper reporting time pay;
- 16 h. failed to pay them proper sick time pay;
- 17 i. failed to provide them with accurate written wage statements;
- 18 j. failed to reimburse them with necessary business expenditures; and
- 19 k. failed to pay them all of their final wages following separation of employment.

20 Based on these alleged Labor Code violations, Plaintiff now brings this class action to recover
21 unpaid wages, liquidated damages, penalties, restitution and related relief on behalf of himself, all
22 others similarly situated, and the general public.

23 **JURISDICTION AND VENUE**

24 2. This Court has subject matter jurisdiction to hear this case because the monetary
25 damages and restitution sought by Plaintiff from Defendants conduct exceeds the minimal jurisdiction
26 of the Superior Court of the State of California.

27 3. Venue is proper in the County of Sacramento pursuant to Code of Civil Procedure
28 sections 395(a) and 395.5 in that liability arose this county because at least some of the transactions

1 that are the subject matter of this Complaint occurred therein and/or each defendant is found,
2 maintains offices, transacts business and/or has an agent therein.

3 4. Venue is proper in Sacramento County because Defendants' have at all times alleged
4 herein, conducted business in Sacramento County, and throughout California. As such, venue is
5 proper in any county in California.

6 **PARTIES**

7 5. Plaintiff TEDDY LAWRENCE DREHER is, and at all relevant times mentioned
8 herein, an individual residing in the State of California.

9 6. Plaintiff is informed and believes, and thereupon alleges that Defendant CENTER
10 FOR EMPLOYMENT OPPORTUNITIES INC. is, and at all relevant times mentioned herein, a New
11 York corporation doing business in the State of California.

12 7. Plaintiff is ignorant of the true names and capacities of the defendants sued herein as
13 DOES 1 through 50, inclusive, and therefore sues these defendants by such fictitious names. Plaintiff
14 will amend this Complaint to allege the true names and capacities of the DOE defendants when
15 ascertained. Plaintiff is informed and believes, and thereupon alleges that each of the fictitiously
16 named defendants are responsible in some manner for the occurrences, acts and omissions alleged
17 herein and that Plaintiff's alleged damages were proximately caused by these defendants, and each of
18 them. Plaintiff will amend this complaint to allege both the true names and capacities of the DOE
19 defendants when ascertained.

20 8. Plaintiff is informed and believes, and thereupon alleges that, at all relevant times
21 mentioned herein, some or all of the defendants were the representatives, agents, employees, partners,
22 directors, associates, joint venturers, joint employers, owners, principals or co-participants of some
23 or all of the other defendants, and in doing the things alleged herein, were acting within the course
24 and scope of such relationship and with the full knowledge, consent and ratification by such other
25 defendants.

26 9. Plaintiff is informed and believes, and thereupon alleges that, at all relevant times
27 mentioned herein, some of the defendants pursued a common course of conduct, acted in concert and
28 conspired with one another, and aided and abetted one another to accomplish the occurrences, acts

1 and omissions alleged herein.

2 10. This action has been brought and may be maintained as a class action pursuant to Code
3 of Civil Procedure section 382 because there is a well-defined community of interest among the
4 persons who comprise the readily ascertainable classes defined below and because Plaintiff is
5 unaware of any difficulties likely to be encountered in managing this case as a class action.

6 11. **Relevant Time Period:** The relevant time period is defined as the time period
7 beginning four years prior to the filing of this action until judgment is entered.

- 8 a. **Hourly Employee Class:** All persons employed by Defendants, collectively or
9 separately, and/or any staffing agencies and/or any other third parties in hourly or
10 non-exempt positions in California four years prior to the filing of this action and
ending on the date that final judgment is entered in this action (“Hourly Employee
Class”).
- 11 b. **Meal Period Sub-Class:** All **Hourly Employee Class** members who worked in
12 a shift in excess of five hours during the four years prior to the filing of this action
and ending on the date that final judgment is entered in this action.
- 13 c. **Rest Period Sub-Class:** All **Hourly Employee Class** members who worked a
14 shift of at least three and one-half (3.5) hours the four years prior to the filing of
this action and ending on the date that final judgment is entered in this action.
- 15 d. **Reporting Time Pay Sub-Class**
16 All **Hourly Employee Class** members who were required to call in or otherwise
17 show up to work without being paid half of their usual or scheduled day's work
from four years prior to the filing of this action and ending on the date that final
judgment is entered in this action.
- 18 e. **Waiting Time Penalties Sub-Class:** All **Hourly Employee Class** members who
19 separated from their employment with Defendants during the period beginning
20 three years before the filing of this action and ending when final judgment is
entered.
- 21 f. **Sick-Pay Class**
22 All persons employed by Defendants in California who, at any time from four
23 years prior to the filing of this action and ending on the date that final judgment is
entered in this action, worked for more than 30 days for Defendants, and were not
paid for at least one hour of sick time for every 30 hours of work thereafter, or at
least 3 days of sick time for every 12-month period of employment.
- 24 g. **Wage Statement Class:** All persons employed by Defendants in California during
25 the period beginning one year before the filing of this action and ending when final
judgment is entered.
- 26 h. **Expense Reimbursement Class:** All persons employed by Defendants in
27 California who incurred business expenses during the **Relevant Time Period**.
- 28 i. **UCL Class:** All **Hourly Employee Class** and **Expense Reimbursement Class**
members employed by Defendants in California during the four years prior to the

1 filing of this action and ending on the date that final judgment is entered in this
2 action.

3 12. **Reservation of Rights:** Pursuant to Rule of Court 3.765(b), Plaintiff reserves the right
4 to amend or modify the class definitions with greater specificity, by further division into sub-classes
5 and/or by limitation to particular issues.

6 13. **Numerosity:** The class members are so numerous that the individual joinder of each
7 individual class member is impractical. While Plaintiff does not currently know the exact number of
8 class members, Plaintiff is informed and believes, and thereupon alleges that the actual number
9 exceeds the minimum required for numerosity under California law.

10 14. **Commonality and Predominance:** Common questions of law and fact exist as to all
11 class members and predominate over any questions which affect only individual class members.
12 These common questions include, but are not limited to:

- 13 a. Whether Defendants maintained a policy or practice of failing to provide
14 employees with their rest periods;
- 15 b. Whether Defendants maintained a policy or practice of failing to provide
16 employees with their meal periods;
- 17 c. Whether Defendants failed to pay premium wages to class members when they
18 have not been provided with meal and rest periods at the appropriate rates of pay;
- 19 d. Whether Defendants failed to pay minimum and/or overtime wages to class
20 members for all time worked;
- 21 e. Whether Defendants maintained a policy or practice of failing to pay proper
22 reporting time pay;
- 23 f. Whether Defendants fails to pay proper sick time pay;
- 24 g. Whether Defendants failed to provide class members with accurate written wage
25 statements as a result of providing them with written wage statements with
26 inaccurate entries for, among other things, amounts of gross and net wages, and
27 total hours worked;
- 28 h. Whether Defendants applied policies or practices that result in late and/or

1 incomplete final wage payments;

2 i. Whether Defendants failed to reimburse class members for all necessary business
3 expenses incurred during the discharge of their duties;

4 j. Whether Defendants are liable to class members for waiting time penalties under
5 Labor Code section 203; and

6 k. Whether class members are entitled to restitution of money or property that
7 Defendants may have acquired from them through unfair competition;

8 15. **Typicality:** Plaintiff's claims are typical of the other class members' claims. Plaintiff
9 is informed and believes and thereupon alleges that Defendants have a policy or practice of failing to
10 comply with the California Labor Code and Business and Professions Code as alleged in this
11 Complaint.

12 16. **Adequacy of Class Representative:** Plaintiff is an adequate class representative in
13 that she has no interests that are adverse to, or otherwise conflict with, the interests of absent class
14 members and is dedicated to vigorously prosecuting this action on their behalf. Plaintiff will fairly
15 and adequately represent and protect the interests of the other class members.

16 17. **Adequacy of Class Counsel:** Plaintiff's counsel are adequate class counsel in that
17 they have no known conflicts of interest with Plaintiff or absent class members, are experienced in
18 wage and hour class action litigation, and are dedicated to vigorously prosecuting this action on behalf
19 of Plaintiff and absent class members.

20 18. **Superiority:** A class action is vastly superior to other available means for fair and
21 efficient adjudication of the class members' claims and would be beneficial to the parties and the
22 Court. Class action treatment will allow a number of similarly situated persons to simultaneously and
23 efficiently prosecute their common claims in a single forum without the unnecessary duplication of
24 effort and expense that numerous individual actions would entail. In addition, the monetary amounts
25 due to many individual class members are likely to be relatively small and would thus make it difficult,
26 if not impossible, for individual class members to both seek and obtain relief. Moreover, a class
27 action will serve an important public interest by permitting class members to effectively pursue the
28 recovery of monies owed to them. Further, a class action will prevent the potential for inconsistent

1 or contradictory judgments inherent in individual litigation.

2 **GENERAL ALLEGATIONS**

3 19. Plaintiff worked for Defendants as a non-exempt employee during the relevant and
4 statutory periods.

5 20. Defendants had a common policy and practice of systemically failing to pay Plaintiff
6 and Class members proper wages and overtime for all hours worked, at the proper rates of pay. First,
7 Defendants implemented an unlawful time-rounding policy and practice which rounded down and
8 reduced the actual working hours recorded by Plaintiff and Class Members, and upon which their pay
9 was based, and generally did so to the detriment of the Plaintiff and Class Members, and these
10 unlawfully rounded time entries were inputted into Defendants' payroll system from which wage
11 statements and payroll checks were created. Defendants did so with the ostensible intent of paying
12 Plaintiff and Class members only for the hours they were scheduled to work, rather than the hours
13 they were actually under Defendants' control. Plaintiff contends this policy is not neutral and results,
14 over time, to the detriment of the Plaintiff and Class members by systematically undercompensating
15 them.

16 21. Next, Plaintiff and Class Members were also consistently required to perform work,
17 off-the-clock, for which they were not paid wages. Specifically, Plaintiff and Class Members were
18 systemically required to attend weekly training sessions, for which no wages were paid. The forgoing
19 and uncompensated working time was under the direction and control of Defendants, for which no
20 wages were paid.

21 22. This uncompensated time caused Plaintiff and Class Members to work in excess of
22 eight (8), ten (10) and/or twelve(12) hours a day and/or forty (40) hours a week, entitling Plaintiff
23 and Class Members to minimum and overtime wages, which they were systemically denied.

24 23. Defendants had a common policy and practice of systemically denying Plaintiff and
25 Class Members the opportunity to take meal periods in compliance with the California Law.
26 Specifically, Plaintiff and Class Members were prohibited from leaving the work premises during
27 meal periods, when such meal periods were taken. Additionally, due to understaffing and heavy
28 workloads, Plaintiff and Class Members were denied the opportunity to take timely meal periods prior

1 to the completion of their fifth hour of work. Furthermore, Plaintiff and Class Members were not
2 relieved of all work duties during unpaid meal periods and were required to keep working during
3 meal breaks.

4 24. Plaintiff and Class Members were not provided with meal periods of at least thirty (30)
5 minutes for each five (5) hour work period due to (1) Defendants' policy of not scheduling each meal
6 period as part of each work shift; (2) no formal written meal policy that encouraged employees to
7 take their meal periods, or that advised Class Members of their meal and rest period rights; and (3)
8 Defendants' practice of requiring putative class members to continue working through their meal and
9 rest periods due to the excessive workload.

10 25. Defendants had a common policy and practice of systemically denying Plaintiff and
11 Class Members the opportunity to take meal periods in compliance with the California Law. Plaintiff
12 and Class Members were not provided with rest periods of at least ten (10) minutes for each four (4)
13 hour work period, or major fraction thereof, due to (1) Defendants' policy of not scheduling each rest
14 period as part of each work shift, including second rest breaks for shifts of six (6) hours or more; (2)
15 no formal compliant written rest period policy that encouraged employees to take their rest periods,
16 or that properly advised Plaintiff and Class Members of their rest period rights; (3) Defendants' policy
17 and practice of requiring Plaintiff and Class Members to remain on the premises during their rest
18 breaks; (4) Defendants' policy and practice of requiring putative class members to continue working
19 through their rest breaks due to the excessive workload and having to keep, maintain, and monitor
20 their personal cellular phones, to respond to work-related messages during unpaid breaks.

21 26. Furthermore, Defendants failed to pay Plaintiff and Class Members premium pay
22 wages at their appropriate regular rates of pay for each meal and rest period denied.

23 27. Defendants also had a common policy and practice of failing to pay Plaintiff and Class
24 Members all reporting time pay to which they were entitled under California Law. Specifically,
25 Plaintiff and Class Members were required to call in or otherwise show up to work without being paid
26 half of their usual or scheduled day's work.

27 28. Plaintiff and Class Members were not provided with accurate wage statements as
28 mandated by law pursuant to Labor Code section 226. Specifically, Defendants failed to issue wage

1 statements as “a detachable part of the check, draft, or voucher paying the employee’s wages, or
2 separately if wages are paid by personal check or cash, an accurate itemized statement in writing.”
3 Additionally, the wage statements issued to Plaintiff and Class Members were not recorded in “ink
4 or other indelible form.”

5 29. Defendants failed to comply with Labor Code section 226(a)(1) as “gross wages
6 earned” were not accurately reflected in that: all hours worked, including overtime, were not included.

7 30. Defendants failed to comply with Labor Code section 226(a)(2) as “total hours worked
8 by the employee” were not accurately reflected in that: all hours worked, including overtime, were
9 not included.

10 31. Defendants failed to comply with Labor Code section 226(a)(5) as “net wages earned”
11 were not accurately reflected in that: all hours worked, including overtime, were not included.

12 32. Defendants failed to comply with Labor Code section 226(a)(9) as “all applicable
13 hourly rates in effect during the pay period and the corresponding number of hours worked at each
14 hourly rate by the employee” were not accurately reflected in that: all hours worked, including
15 overtime, were not included.

16 33. Furthermore, Defendants failed to provide Plaintiff and Class Members with paper pay
17 stubs as required by Labor Code § 226, applicable Wage Orders, and DLSE Opinion Letters.
18 Plaintiff’s and Class Members’ wage statement were only provided in electronic format in violation
19 of Labor Code § 226.

20 34. Plaintiff and Class Members were not reimbursed for business expenses incurred in
21 executing their duties under Defendant’s employ. Specifically, Plaintiff and Class Members were
22 required to pay the costs of maintaining and cleaning their work gloves, safety vests, goggles, hard
23 hats, boots, and various other safety gear all necessary to perform, their duties under Defendants’
24 employ. Plaintiff and Class members were not reimbursed for these necessary work-related expenses.

25 35. Finally, Defendants had a common policy and practice of systemically failing to pay
26 Plaintiff and Class Members the requisite sick time pay in accordance with California Law.
27 Specifically, Plaintiff and Class Members worked for Defendants for more than 30 days, but were not
28 paid at least one hour of sick pay for every 30 hours of work, or at least 3 days of sick time for every

1 12 month period of work.

2 **FIRST CAUSE OF ACTION**

3 **FAILURE TO PROVIDE MEAL PERIODS**

4 **(Lab. Code §§ 226.7, 512, 1174, and 1198)**

5 **(Plaintiff and Meal Period Sub-Class)**

6 36. Plaintiff incorporates by reference the preceding paragraphs of the Complaint as if
7 fully alleged herein.

8 37. At all relevant times, Plaintiff and the **Meal Period Sub-Class** members have been
9 non-exempt employees of Defendant entitled to the full meal period protections of both the Labor
10 Code and the applicable Industrial Welfare Commission Wage Order.

11 38. Labor Code section 512 and Section 11 of the applicable Industrial Welfare
12 Commission Wage Order impose an affirmative obligation on employers to provide non-exempt
13 employees with uninterrupted, duty-free meal periods of at least thirty minutes for each work period
14 of five hours, and to provide them with two uninterrupted, duty-free meal periods of at least thirty
15 minutes for each work period of ten hours.

16 39. Labor Code section 226.7 and Section 11 of the applicable Industrial Welfare
17 Commission Wage Order (“Wage Order”) both prohibit employers from requiring employees to work
18 during required meal periods and require employers to pay non-exempt employees an hour of
19 premium wages on each workday that the employee is not provided with the required meal period.

20 40. Compensation for missed meal periods constitutes wages within the meaning of Labor
21 Code section 200.

22 41. Labor Code section 1198 makes it unlawful to employ a person under conditions that
23 violate the applicable Wage Order.

24 42. Section 11 of the applicable Wage Order states:

25 “No employer shall employ any person for a work period of more than five (5) hours
26 without a meal period of not less than 30 minutes, except that when a work period of
27 not more than six (6) hours will complete the day’s work the meal period may be
28 waived by mutual consent of the employer and employee. Unless the employee is
relieved of all duty during a 30 minute meal period, the meal period shall be considered
an ‘on duty’ meal period and counted as time worked. An ‘on duty’ meal period shall
be permitted only when the nature of the work prevents an employee from being

1 relieved of all duty and when by written agreement between the parties an on-the-job
2 paid meal period is agreed to. The written agreement shall state that the employee
may, in writing, revoke the agreement at any time.”

3 43. At all relevant times, Plaintiff was not subject to a valid on-duty meal period
4 agreement. Plaintiff is informed and believes that, at all relevant times, **Meal Period Sub-Class**
5 members were not subject to valid on-duty meal period agreements with Defendants.

6 44. Plaintiff alleges that, at all relevant times during the applicable limitations period,
7 Defendants maintained a policy or practice of not providing Plaintiff and members of the **Meal Period**
8 **Sub-Class** with uninterrupted, duty-free meal periods for at least thirty (30) minutes for each five (5)
9 hour work period, as required by Labor Code section 512 ad the applicable Wage Order. Specifically,
10 Plaintiff and **Meal Period Sub-Class** Members were prohibited from leaving the work premises
11 during meal periods, when such meal periods were taken. Additionally, due to understaffing and
12 heavy workloads, Plaintiff and **Meal Period Sub-Class** Members were denied the opportunity to take
13 timely meal periods prior to the completion of their fifth hour of work. Furthermore, Plaintiff and
14 **Meal Period Sub-Class** Members were not relieved of all work duties during unpaid meal periods.

15 45. Plaintiff alleges that, at all relevant times during the applicable limitations period,
16 Defendants maintained a policy or practice of failing to pay premium wages to **Meal Period Sub-**
17 **Class** members when they worked five (5) hours without clocking out for any meal period.

18 46. Plaintiff alleges that, at all relevant times during the applicable limitations period,
19 Defendants maintained a policy or practice of not providing Plaintiff and members of the **Meal Period**
20 **Sub-Class** with a second meal period when they worked shifts of ten or more hours and failed to pay
21 them premium wages as required by Labor Code 512 and the applicable Wage Order.

22 47. Moreover, Defendants written policies fail to inform Meal period Class Members of
23 their meal period rights under the Labor Code and applicable Wage Orders.

24 48. At all relevant times, Defendants failed to pay Plaintiff and the **Meal Period Sub-**
25 **Class** members additional premium wages, and/or were not paid premium wages at the employees’
26 regular rates of pay when required meal periods were not provided.

27 49. Pursuant to Labor Code section 204, 218.6, 226.7 and 512, Plaintiff, on behalf of
28 himself and the **Meal Period Sub-Class** members, seek to recover unpaid premium wages, interest

1 thereon, and costs of suit.

2 50. Pursuant to Labor Code section 1194, Code of Civil Procedure section 1021.5, the
3 substantial benefit doctrine, and/or the common fund doctrine, Plaintiff, on behalf of himself and the
4 **Meal Period Sub-Class** members, seek to recover reasonable attorneys' fees.

5 **SECOND CAUSE OF ACTION**

6 **FAILURE TO PROVIDE REST PERIODS**

7 **(Lab. Code §§ 204, 223, 226.7 and 1198)**

8 **(Plaintiff and Rest Period Sub-Class)**

9 51. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged
10 herein.

11 52. At all relevant times, Plaintiff and the **Rest Period Sub-Class** members have been
12 non-exempt employees of Defendants entitled to the full rest period protections of both the Labor
13 Code and the applicable Wage Order.

14 53. Section 12 of the applicable Wage Order imposes an affirmative obligation on
15 employers to permit and authorize employees to take required rest periods at a rate of no less than ten
16 minutes of net rest time for each four hour work period, or major fraction thereof, that must be in the
17 middle of each work period insofar as practicable.

18 54. Labor Code section 226.7 and Section 12 of the applicable Wage Order both prohibit
19 employers from requiring employees to work during required rest periods and require employers to
20 pay non-exempt employees an hour of premium wages at the employees' regular rates of pay, on each
21 workday that the employee is not provided with the required rest period(s).

22 55. Compensation for missed rest periods constitutes wages within the meaning of Labor
23 Code section 200.

24 56. Labor Code section 1198 makes it unlawful to employ a person under conditions that
25 violate the Wage Order.

26 57. Plaintiff alleges that, at all relevant times during the applicable limitations period,
27 Defendants maintained a policy or practice of not providing members of the **Rest Period Sub-Class**
28 with net rest period of at least ten uninterrupted minutes for each four hour work period, or major

1 fraction thereof, as required by the applicable Wage Order.

2 58. Plaintiff and **Rest Period Sub-Class** members were not provided with rest periods of
3 at least ten (10) minutes for each four (4) hour work period, or major fraction thereof, due to (1)
4 Defendants' policy of not scheduling each rest period as part of each work shift, including second
5 rest breaks for shifts of six (6) hours or more; (2) no formal compliant written rest period policy that
6 encouraged employees to take their rest periods, or that properly advised **Rest Period Sub-Class**
7 members of their rest period rights; (3) Defendants' policy and practice of requiring **Rest Period**
8 **Sub-Class** members to remain on the premises during their rest breaks; (4) Defendants' policy and
9 practice of requiring **Rest Period Sub-Class** members to continue working through their rest breaks
10 due to the excessive workload and maintaining and monitoring their cellular phones during breaks.

11 59. At all relevant times, Defendants failed to pay Plaintiff and the **Rest Period Sub-Class**
12 members additional premium wages when required rest periods were not provided.

13 60. Pursuant to Labor Code section 204, 218.6 and 226.7, Plaintiff, on behalf of himself
14 and **Rest Period Sub-Class** members, seek to recover unpaid premium wages, interest thereon, and
15 costs of suit.

16 61. Pursuant to Labor Code section 1194, Code of Civil Procedure section 1021.5, the
17 substantial benefit doctrine, and/or the common fund doctrine, Plaintiff, on behalf of himself and **Rest**
18 **Period Sub-Class** members, seek to recover reasonable attorneys' fees.

19 **THIRD CAUSE OF ACTION**

20 **FAILURE TO PAY HOURLY AND OVERTIME WAGES**

21 **(Lab. Code §§ 223, 510, 1194, 1197 and 1198)**

22 **(Plaintiff and Hourly Employee Class)**

23 62. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged
24 herein.

25 63. At all relevant times, Plaintiff and **Hourly Employee Class** members are or have been
26 non-exempt employees of Defendants entitled to the full protections of the Labor Code and the
27 applicable Wage Order.

28 64. Section 2 of the applicable Wage Order defines "hours worked" as "the time during

1 which an employee is subject to the control of the employer, and includes all the time the employee
2 is suffered or permitted to work, whether or not required to do so.”

3 65. Section 4 of the applicable Wage Order requires an employer to pay non-exempt
4 employees at least the minimum wage set forth therein for all hours worked, which consist of all hours
5 that an employer has actual or constructive knowledge that employees are working.

6 66. Labor Code section 1194 invalidates any agreement between an employer and an
7 employee to work for less than the minimum or overtime wage required under the applicable Wage
8 Order.

9 67. Labor Code section 1194.2 entitles non-exempt employees to recover liquidated
10 damages in amounts equal to the amounts of unpaid minimum wages and interest thereon in addition
11 to the underlying unpaid minimum wages and interest thereon.

12 68. Labor Code section 1197 makes it unlawful for an employer to pay an employee less
13 than the minimum wage required under the applicable Wage Order for all hours worked during a
14 payroll period.

15 69. Labor Code section 1197.1 provides that it is unlawful for any employer or any other
16 person acting either individually or as an officer, agent or employee of another person, to pay an
17 employee, or cause an employee to be paid, less than the applicable minimum wage.

18 70. Labor Code section 1198 makes it unlawful for employers to employ employees under
19 conditions that violate the applicable Wage Order.

20 71. Labor Code section 204 requires employers to pay non-exempt employees their earned
21 wages for the normal work period at least twice during each calendar month on days the employer
22 designates in advance and to pay non-exempt employees their earned wages for labor performed in
23 excess of the normal work period by no later than the next regular payday.

24 72. Labor Code section 223 makes it unlawful for employers to pay their employees lower
25 wages than required by contract or statute while purporting to pay them legal wages.

26 73. Labor Code section 510 and Section 3 of the applicable Wage Order require employees
27 to pay non-exempt employees overtime wages of no less than one and one-half times their respective
28 regular rates of pay for all hours worked in excess of eight hours in one workday, all hours worked in

1 excess of forty hours in one workweek, and/or for the first eight hours worked on the seventh
2 consecutive day of one workweek.

3 74. Labor Code section 510 and Section 3 of the applicable Wage Order also require
4 employers to pay non-exempt employees overtime wages of no less than two times their respective
5 regular rates of pay for all hours worked in excess of twelve hours in one workday and for all hours
6 worked in excess of eight hours on a seventh consecutive workday during the workweek.

7 75. Plaintiff is informed and believes that, at all relevant times, Defendants have applied
8 centrally devised policies and practices to her and **Hourly Employee Class** members with respect to
9 working conditions and compensation arrangements.

10 76. At all relevant times, Defendants failed to pay hourly wages to Plaintiff and **Hourly**
11 **Employee Class** members for all time worked, including but not limited to, overtime hours at
12 statutory and/or agreed rates.

13 77. Plaintiff and **Hourly Employee Class** members were not paid proper wages and
14 overtime for all hours worked, at the proper rates of pay. First, Defendants implemented an unlawful
15 time-rounding policy and practice which rounded down and reduced the actual working hours
16 recorded by Plaintiff and **Hourly Employee Class**, and upon which their pay was based, and
17 generally did so to the detriment of the Plaintiff and **Hourly Employee Class**, and these unlawfully
18 rounded time entries were inputted into Defendants' payroll system from which wage statements and
19 payroll checks were created. Defendants did so with the ostensible intent of paying Plaintiff and
20 **Hourly Employee Class** members only for the hours they were scheduled to work, rather than the
21 hours they were actually under Defendants' control. Plaintiff contends this policy is not neutral and
22 results, over time, to the detriment of the Plaintiff and **Hourly Employee Class** members by
23 systematically undercompensating them.

24 78. Plaintiff and **Hourly Employee Class** members were consistently required to perform
25 work, off-the-clock for which they were not paid wages. Specifically, Plaintiff and **Hourly Employee**
26 **Class** members were systemically required to attend weekly training sessions, for which no wages
27 were paid. This uncompensated time caused Plaintiff and **Hourly Employee Class** members to work
28 in excess of eight (8), ten (10), and twelve (12) hours a day and/or forty (40) hours a week, entitling

1 Plaintiff and **Hourly Employee Class** members to minimum and overtime wages, which they were
2 systemically denied.

3 79. As a result of Defendants' unlawful conduct, Plaintiff and **Hourly Employee Class**
4 members have suffered damages in an amount, subject to proof, to the extent they were not paid the
5 full amount of wages earned during each pay period during the applicable limitations period,
6 including overtime wages.

7 80. Pursuant to Labor Code sections 204, 218.6, 223, 510, 1194 and 1194.2, Plaintiff, on
8 behalf of himself and **Hourly Employee Class** members, seek to recover unpaid straight time and
9 overtime wages, interest thereon and costs of suit.

10 81. Pursuant to Labor Code section 1194, Code of Civil Procedure section 1021.5, the
11 substantial benefit doctrine, and/or the common fund doctrine, Plaintiff, on behalf of himself and
12 **Hourly Employee Class** members, seek to recover reasonable attorneys' fees.

13 **FOURTH CAUSE OF ACTION**

14 **RECOVERY OF REPORTING TIME PAY**

15 **(Plaintiff and Reporting Time Pay Sub-Class)**

16 82. Plaintiff re-alleges and incorporate all preceding paragraphs, as though set forth in
17 full herein.

18 83. The IWC Wage Orders, require that reporting time pay be provided to any employee
19 who is required to report for work and does report, but is not put to work or is furnished less than
20 half said employee's usual or scheduled day's work.

21 84. Plaintiff is informed and believes and thereon alleges that all or substantially all of
22 the **Reporting Time Pay Sub-Class** are subject to Defendants' policies and practices requiring
23 them to call in or otherwise show up to work but not being paid half said their usual or scheduled
24 day's work.

25 85. Therefore, **Reporting Time Pay Sub-Class** Members are owed the unpaid balance
26 of said wages pursuant to the Wage order according to proof at trial, Interest pursuant to Labor
27 Code §§ 218.6 and 1194(a), Civil Code §§ 3287 and § 3289, and reasonable attorneys' fees and
28

1 costs and/or penalties pursuant to Labor Code § 558(a).

2 **FIFTH CAUSE OF ACTION**

3 **FAILURE TO PAY PROPER SICK PAY**

4 **(Lab. Code § 246)**

5 **(Plaintiff and Sick Pay Class)**

6 86. Plaintiff re-alleges and incorporate all preceding paragraphs, as though set forth in
7 full herein.

8 87. Labor Code Section 246 affords an employee “who works in California for 30 or
9 more days within a year from the commencement of employment [] paid sick days . . . of not less
10 than one hour per every 30 hours worked” and “no less than 24 hours of accrued sick leave or paid
11 time off by the 120th calendar day of employment or each calendar year, or in each 12-month
12 period.”

13 88. Defendants had a common policy and practice of systemically failing to pay Plaintiff
14 and **Sick Pay Class** Members the requisite sick time pay in accordance with California Law.
15 Specifically, Plaintiff and **Sick Pay Class** Members worked for Defendants for more than 30 days,
16 but were not paid at least one hour of sick pay for every 30 hours of work, or at least 3 days of sick
17 time for every 12 month period of work.

18 89. Therefore, **Sick Pay Class** Members are owed the unpaid balance of said wages
19 pursuant to the Wage order according to proof at trial, interest pursuant to Labor Code §§ 218.6 and
20 1194(a), Civil Code §§ 3287 and § 3289, and reasonable attorneys' fees and costs and/or penalties
21 pursuant to Labor Code § 558(a).

22 **SIXTH CAUSE OF ACTION**

23 **FAILURE TO PROVIDE ACCURATE WRITTEN WAGE STATEMENTS**

24 **(Lab. Code § 226)**

25 **(Plaintiff and Wage Statement Penalties Sub-Class)**

26 90. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged
27 herein.

28 91. Labor Code section 226(a) states:

1 “An employer, semimonthly or at the time of each payment of wages, shall furnish to
2 his or her employee, either as a detachable part of the check, draft, or voucher paying
3 the employee’s wages, or separately if wages are paid by personal check or cash, an
4 accurate itemized statement in writing showing (1) gross wages earned, (2) total hours
5 worked by the employee, except as provided in subdivision (j), (3) the number of
6 piece-rate units earned and any applicable piece rate if the employee is paid on a piece-
7 rate basis, (4) all deductions, provided that all deductions made on written orders of
8 the employee may be aggregated and shown as one item, (5) net wages earned, (6) the
9 inclusive dates of the period for which the employee is paid, (7) the name of the
10 employee and only the last four digits of his or her social security number or an
11 employee identification number other than a social security number, (8) the name and
12 address of the legal entity that is the employer and, if the employer is a farm labor
13 contractor, as defined in subdivision (b) of Section 1682, the name and address of the
14 legal entity that secured the services of the employer, and (9) all applicable hourly
15 rates in effect during the pay period and the corresponding number of hours worked at
16 each hourly rate by the employee and, beginning July 1, 2013, if the employer is a
17 temporary services employer as defined in Section 201.3, the rate of pay and the total
18 hours worked for each temporary services assignment. The deductions made from
19 payment of wages shall be recorded in ink or other indelible form, properly dated,
20 showing the month, day, and year, and a copy of the statement and the record of the
21 deductions shall be kept on file by the employer for at least three years at the place of
22 employment or at a central location within the State of California. For purposes of
23 this subdivision, ‘copy’ includes a duplicate of the itemized statement provided to an
24 employee or a computer-generated record that accurately shows all of the information
25 required by this subdivision.”

26 92. The Division of Labor Standards Enforcement (“DLSE”) has sought to harmonize the
27 “detachable part of the check” provision and the “accurate itemized statement in writing” provision
28 of Labor Code section 226(a) by allowing for electronic wage statements so long as each employee
retains the right to elect to receive a written paper stub or record and that those who are provided with
electronic wage statements retain the ability to easily access the information and convert the electronic
statements into hard copies at no expense to the employee. (DLSE Opinion Letter July 6, 2006).

93. Plaintiff is informed and believes that, at all relevant times during the applicable
limitations period, Defendants have failed to provide **Wage Statement Class** members with written
wage statements as described above. Additionally, the wage statements issued to class members
failed to account for the unpaid minimum wages, overtime, and premium pay wages described
above.

94. Furthermore, Defendants failed to provide Plaintiff and **Wage Statement Class**
Members with paper pay stubs as required by Labor Code § 226, applicable Wage Orders, and DLSE
Opinion Letters. Plaintiff’s and **Wage Statement Class** members’ wage statement were only
provided in electronic format in violation of Labor Code § 226.

95. Plaintiff is informed and believes that Defendants' failure to provide her and **Wage Statement Class** members with accurate written wage statements were intentional in that Defendants have the ability to provide them with accurate wage statements but have intentionally provided them with written wage statements that Defendants have known do not comply with Labor Code section 226(a).

96. Plaintiff and **Wage Statement Class** members have suffered injuries, in that Defendants have violated their legal rights to receive accurate wage statements and have misled them about their actual rates of pay and wages earned. In addition, inaccurate information on their wage statements have prevented immediate challenges to Defendants' unlawful pay practices, has required discovery and mathematical computations to determine the amount of wages owed, has caused difficulty and expense in attempting to reconstruct time and pay records, and/or has led to the submission of inaccurate information about wages and deductions to federal and state government agencies.

97. Pursuant to Labor Code section 226(e), Plaintiff, on behalf of himself and **Wage Statement Class** members, seek the greater of actual damages or \$50.00 for the initial pay period in which a violation of Labor Code section 226(a) occurred, and \$100.00 for each subsequent pay period in which a violation of Labor Code section 226(a) occurred, not to exceed an aggregate penalty of \$4000.00 per class member, as well as awards of reasonable attorneys' fees and costs.

SEVENTH CAUSE OF ACTION

FAILURE TO TIMELY PAY ALL FINAL WAGES

(Lab. Code §§ 201-203)

(Plaintiff and Waiting Time Penalties Sub-Class)

98. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged herein.

99. At all relevant times, Plaintiff and **Waiting Time Penalties Sub-Class** members have been entitled, upon the end of their employment with Defendants, to timely payment of all wages earned and unpaid before termination or resignation.

100. At all relevant times, pursuant to Labor Code section 201, employees who have been

1 discharged have been entitled to payment of all final wages immediately upon termination.

2 101. At all relevant times, pursuant to Labor Code section 202, employees who have
3 resigned after giving at least seventy-two (72) hours notice of resignation have been entitled to
4 payment of all final wages at the time of resignation.

5 102. Plaintiff is informed and believes that, at all relevant time during the applicable
6 limitations period, Defendants have failed to timely pay **Waiting Time Penalties Sub-Class**
7 members all of their final wages in accordance with the Labor Code.

8 103. Plaintiff is informed and believes that, at all relevant times during the applicable
9 limitations period, Defendants have maintained a policy or practice of paying **Waiting Time**
10 **Penalties Sub-Class** members their final wages without regard to the requirements of Labor Code
11 sections 201 or 202 by failing to timely pay them all final wages.

12 104. Plaintiff is informed and believes and thereupon alleges that Defendants' failure to
13 timely pay all final wages to her and **Waiting Time Penalties Sub-Class** members have been willful
14 in that Defendants have the ability to pay final wages in accordance with Labor Code sections 201
15 and/or 202 but have intentionally adopted policies or practices that are incompatible with those
16 requirements.

17 105. Pursuant to Labor Code sections 203 and 218.6, Plaintiff, on behalf of himself and
18 **Waiting Time Penalties Sub-Class** members, seek waiting time penalties from the dates that their
19 final wages have first become due until paid, up to a maximum of thirty days, and interest thereon.

20 106. Pursuant to Code of Civil Procedure section 1021.5, the substantial benefit doctrine
21 and/or the common fund doctrine, Plaintiff, on behalf of himself and **Waiting Time Penalties Sub-**
22 **Class** members, seek awards of reasonable attorneys' fees and costs.

23 **EIGHTH CAUSE OF ACTION**

24 **FAILURE TO INDEMNIFY**

25 **(Lab. Code § 2802)**

26 **(Plaintiff and Reimbursement Class)**

27 107. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged
28 herein.

1 108. Labor Code section 2802(a) states:

2 “An employer shall indemnify his or her employee for all necessary expenditures or
3 losses incurred by the employee in direct consequence of the discharge of his or her
4 duties, or of his or her obedience to the directions of the employer, even though
 unlawful, unless the employee, at the time of obeying the directions, believed them to
 be unlawful.”

5 109. Plaintiff and **Expense Reimbursement Class Members** were not reimbursed for
6 business expenses incurred in executing their duties under Defendant’s employ. Specifically,
7 Specifically, Plaintiff and **Expense Reimbursement Class Members** were required to pay the costs
8 of maintaining and cleaning their work gloves, safety vests, goggles, hard hats, boots, and various
9 other safety gear all necessary to perform, their duties under Defendants’ employ. Plaintiff and
10 **Expense Reimbursement Class Members** were not reimbursed for these necessary work-related
11 expenses.

12 110. Accordingly, Plaintiff and **Expense Reimbursement Class** members are entitled to
13 restitution for all unpaid amounts due and owing to within four years of the date of the filing of the
14 Complaint and until the date of entry of judgment.

15 111. Plaintiff, on behalf of himself, and **Expense Reimbursement Class** members, seeks
16 interest thereon and costs pursuant to Labor Code section 218.6, and reasonable attorneys’ fees
17 pursuant to Code of Civil Procedure section 1021.5.

18 **NINTH CAUSE OF ACTION**

19 **UNFAIR COMPETITION**

20 **(Bus. & Prof. Code §§ 17200 *et seq.*)**

21 **(Plaintiff and UCL Class)**

22 112. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged
23 herein.

24 113. Business and Professions Code section 17200 defines “unfair competition” to include
25 any unlawful business practice.

26 114. Business and Professions Code section 17203-17204 allow a person who has lost
27 money or property as a result of unfair competition to bring a class action in accordance with Code
28 of Civil Procedure section 382 to recover money or property that may have been acquired from

1 similarly situated persons by means of unfair competition.

2 115. California law requires employers to pay hourly, non-exempt employees for all hours
3 they are permitted or suffered to work, including hours that the employer knows or reasonable should
4 know that employees have worked.

5 116. Plaintiff and the **UCL Class** members re-alleges and incorporates the FIRST,
6 SECOND, THIRD, FOURTH, FIFTH, and EIGHTH causes of action herein.

7 117. Plaintiff lost money or property as a result of the aforementioned unfair competition.

8 118. Defendants have or may have acquired money by means of unfair competition.

9 119. Plaintiff is informed and believes and thereupon alleges that by committing the Labor
10 Code violations described in this Complaint, Defendants violated Labor Code sections 215, 216, 225,
11 226.6, 226.7, 246, 354, 408, 512, 510, 553, 1175, 1174, 1194, 1194.2, 1197, 1197.1, 1198, and 1199,
12 as well as applicable Wag Orders, which make it a misdemeanor to commit the violations alleged
13 herein.

14 120. Defendants have committed criminal conduct through their policies and practices of,
15 *inter alia*, failing to comport with their affirmative obligations as an employer to: provide non-exempt
16 employees with compliant meal and rest periods; pay for all hours worked at the proper rates of pay;
17 proper sick time pay; reporting time pay; and reimbursement for necessary business expenditures.

18 121. Defendants' unlawful conduct as alleged in this Complaint amounts to and constitutes
19 unfair competition within the meaning of Business and Professions Code section 17200 *et seq.*
20 Business and Professions Code sections 17200 *et seq.* protects against unfair competition and allows
21 a person who has suffered an injury-in-fact and has lost money or property as a result of an unfair,
22 unlawful or fraudulent business practice to seek restitution on his own behalf and on behalf of
23 similarly situated persons in a class action proceeding.

24 122. As a result of Defendants' violations of the Labor Code during the applicable
25 limitations period, Plaintiff has suffered an injury-in-fact and has lost money or property in the form
26 of earned wages. Specifically, Plaintiff has lost money or property as a result of Defendants' conduct.

27 123. Plaintiff is informed and believes that other similarly situated persons have been
28 subject to the same unlawful policies or practices of Defendants.

1 124. Due to the unfair and unlawful business practices in violation of the Labor Code,
2 Defendants have gained a competitive advantage over other comparable companies doing business in
3 the State of California that comply with their legal obligations.

4 125. California's Unfair Competition Law ("UCL") permits civil recovery and injunctive
5 for "any unlawful, unfair or fraudulent business act or practice," including if a practice or act violates
6 or is considered unlawful under any other state or federal law.

7 126. Accordingly, pursuant to Business and Professions Code sections 17200 and 17203,
8 Plaintiffs request the issuance of temporary, preliminary and permanent injunctive relief enjoining
9 Defendants, and each of them, and their agents and employees, from further violations of the Labor
10 Code and applicable Wage Orders.

11 127. Accordingly, pursuant to Bus. & Prof. Code sections 17200 and 17203, Plaintiff
12 requests the issuance of temporary, preliminary and permanent injunctive relief enjoining
13 Defendants, and each of them, and their agents and employees, from further violations of the Labor
14 Code and applicable Industrial Welfare Commission Wage Orders; and upon a final hearing seek an
15 order permanently enjoining Defendants, and each of them, and their respective agents and
16 employees, from further violations of the Labor Code and applicable Industrial Welfare Commission
17 Wage Orders.

18 128. Pursuant to Business and Professions Code section 17203, Plaintiff, on behalf of
19 himself and **UCL Class** members, seek declaratory relief and restitution of all monies rightfully
20 belonging to them that Defendants did not pay them or otherwise retained by means of its unlawful
21 and unfair business practices.

22 129. Pursuant to Code of Civil Procedure section 1021.5, the substantial benefit doctrine
23 and/or the common fund doctrine, Plaintiff and **UCL Class** members are entitled to recover
24 reasonable attorneys' fees in connection with their unfair competition claims.

25 130. Pursuant to Business and Professions Code section 17203, Plaintiff, on behalf of
26 himself and **UCL Class** members, seek declaratory relief and restitution of all monies rightfully
27 belonging to them that Defendants did not pay them or otherwise retained by means of its unlawful
28 and unfair business practices.

1 131. Pursuant to Code of Civil Procedure section 1021.5, the substantial benefit doctrine
2 and/or the common fund doctrine, Plaintiff and **UCL Class** members are entitled to recover
3 reasonable attorneys' fees in connection with their unfair competition claims.

4 **PRAYER FOR RELIEF**

5 WHEREFORE, Plaintiff, on behalf of himself, all others similarly situated, and the general
6 public, prays for relief and judgment against Defendants as follows:

- 7 a. An order that the action be certified as a class action;
8 b. An order that Plaintiff be appointed class representative;
9 c. An order that counsel for Plaintiff be appointed class counsel;
10 d. Unpaid wages and overtime;
11 e. Actual damages;
12 f. Liquidated damages;
13 g. Unreimbursed expenses;
14 h. Restitution;
15 i. Declaratory relief;
16 j. Pre-judgment interest;
17 k. Statutory penalties;
18 l. Costs of suit;
19 m. Reasonable attorneys' fees; and
20 n. Such other relief as the Court deems just and proper.

21
22 Dated: September 1, 2023

D.LAW, INC.

23
24 

25 _____
26 Emil Davtyan
27 David Yeremian
28 David Keledjian
Attorneys for Plaintiff
TEDDY LAWRENCE DREHER, and the
putative class

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DEMAND FOR JURY TRIAL

Plaintiff, on behalf of himself, all other similarly situated, and the general public, hereby demands a jury trial on all issues so triable.

Dated: September 1, 2023

D.LAW, INC.



Emil Davtyan
David Yeremian
David Keledjian
Attorneys for Plaintiff
TEDDY LAWRENCE DREHER , and the
putative class

EXHIBIT 3

Dreher v. Center for Employment Opportunities
Litigation Costs

Service Date		Details		Provider		Amount
9/1/23		Summons and Complaint		Proceed		\$ 1,606.80
9/11/23		Process Serving of Summons and Complaint		Proceed		\$ 87.55
10/5/23		Process Serving of Summons and Complaint (Agent for Service)		Proceed		\$ 257.50
10/24/23		Proof of Service of Summons		Proceed		\$ 154.50
5/8/24		Mediation Fee		McKelvey, Brandon		\$ 10,000.00
6/28/24		LWDA Submission		LWDA		\$ 75.00
6/28/24		LWDA Postage		USPS		\$ 9.31
7/11/24		Expert Analysis Fee		Proceed		\$ 5,085.00
8/1/24		Document Retrieval		PACER		\$ 12.30

Total	\$ 17,287.96
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EXHIBIT 4