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

ERIC PRADO, as an individual and on
behalf of all others similarly situated,

Plaintiff,

vs.

WILWOOD ENGINEERING, a California
Corporation; and DOES 1 through 100,
inclusive,

Defendants.

Case No.: 2023CUOE015773

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

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

Date: October 29, 2024
Time: 8:35 a.m.
Dept.: 43

Action Filed: October 24, 2023
Trial Date: None Set

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I, Andrew J. Rowbotham, declare as follows:

1. I am a Senior Associate at the Haines Law Group, APC, and counsel for the named Plaintiff Eric Prado (“Plaintiff”) in the above-captioned matter. I am a member in good standing of the bar of the State of California and am admitted to practice in this Court. I have personal knowledge of the facts stated in this declaration and could testify competently to them if called upon to do so.

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

3. Since April 2016, I have worked as an associate at my current firm, Haines Law Group, APC. I am currently involved with approximately forty (40) active wage and hour class actions, including a number of “hybrid” actions asserting nationwide wage and hour claims under the Fair Labor Standards Act, as well as California-specific claims under Rule 23 of the Federal Rules of Civil Procedure.

4. The following is a non-exhaustive list of wage and hour class actions (which have been granted final approval) in which I have been named as Class Counsel:

- *Rodriguez v. Spartan, Inc.*, Case No. BCV-15-100007-DRL, California Superior Court, County of Kern, Honorable David R. Lampe, presiding;

- 1 • *Tapper v. Squad Security CA, Inc.*, Case No. BC607241, California Superior Court,
2 County of Los Angeles, Honorable John Shepard Wiley Jr., presiding;
- 3 • *Nieves v. Ta Chen International, Inc.*, Case No. BC609005, California Superior Court,
4 County of Los Angeles, Honorable Kenneth R. Freeman, presiding;
- 5 • *Mansilla v. Haeco Americas Line Services, LLC*, Case No. BC615310, California
6 Superior Court, County of Los Angeles, Honorable Elihu M. Berle, presiding;
- 7 • *Rodriguez v. Mersen USA Oxnard-CA Inc.*, Case No. 56-2015-00471031-CU-OE-
8 VTA, California Superior Court County of Ventura, Honorable Kent M. Kellegrew,
9 presiding;
- 10 • *Khosravi v. Enterprise Rent-A-Car Company of Los Angeles, LLC*, Case No. 30-2016-
11 00829923-CU-OE-CXC, Superior Court of California, County of Orange, Honorable
12 Thierry Patrick Colaw presiding;
- 13 • *De Loera v. Pharmaceutic Litho & Label Company, Inc.*, Case No. 56-2016-
14 00479931-CU-OE-VTA, Superior Court of California, County of Ventura, Honorable
15 Kent M. Kellegrew presiding;
- 16 • *Ortiz v. Endologix, Inc.* Case No. 30-2016-00873893-CU-OE-CXC, Superior Court
17 of California, County of Orange, Honorable William D. Claster presiding;
- 18 • *Delgado v. Pacific Coast Cabling, Inc.*, Case No. BC600419, Superior Court of
19 California, County of Los Angeles, Honorable Carolyn B. Kuhl presiding;
- 20 • *Valsabel v. Vintage Tile & Stone, Inc.*, Case No. 30-2016-00848602-CU-OE-CXC,
21 Superior Court of California, County of Orange, Honorable Randall J. Sherman
22 presiding;
- 23 • *Ramos v. Da/Pro Rubber, Inc.*, Case No. BC621297, Superior Court of California,
24 County of Los Angeles, Honorable William F. Highberger presiding;
- 25 • *Lopez v. Bornt & Sons, Inc.*, Case No. ECU09820, Superior Court of California,
26 County of Imperial, Honorable Jeffrey B. Jones presiding;

- *Ruvalcaba Quiroz v. Circle M Contractors, Inc.*, Case No. 30-2016-00885065-CU-OE-CXC, Superior Court of California, County of Orange, Honorable William D. Claster presiding;
- *Armenta, et al., v. California Friends Homes d/b/a Quaker Gardens*, Case No. 30-2016-00883282-CU-OE-CXC, Superior Court of California, County of Orange, Honorable Randall J. Sherman presiding;
- *Ayala, et al., v. Dearden's*, Case No. BC679750, Superior Court of California, County of Los Angeles, Honorable Elihu M. Berle presiding;
- *Becerra v. All Valley Washer Service, Inc.*, Case No. BC663448, Superior Court of California, County of Los Angeles, Honorable Amy D. Hogue presiding;
- *Song, et al. v. Blendtec, Inc.*, Case No. STK-CV-VOE-2016-6272, Superior Court of California, County of San Joaquin, Honorable Roger Ross presiding;
- *Zinnerman v. Tumbleweed Educational Enterprises, Inc.*, Case No. BC673708, Superior Court of California, County of Los Angeles, Honorable Maren E. Nelson presiding;
- *Chairez v. B.E. McCarty, Inc.*, Case No. 56-2017-00503353-CU-OE-VTA, Superior Court of California, County of Ventura, Honorable Vincent O'Neill presiding;
- *Garcia, et al. v. Simplified Labor Staffing Solutions, Inc.*, Case No. BC696898, Los Angeles County Superior Court, Honorable Elihu M. Berle, presiding (approving an hourly rate of \$400 for work performed in 2018 and 2019);
- *Delgado v. Spears Manufacturing Co.*, Case No. BC709665, Los Angeles County Superior Court, Honorable Maren E. Nelson, presiding (approving an hourly rate of \$425 for work performed in 2018, 2019, and 2020);
- *Soto v. L I Metal Systems*, Case No. 37-2017-00009607-CU-OE-CTL, San Diego County Superior Court, Honorable Timothy Taylor, presiding (approving an hourly rate of \$425 for work performed from 2017-2020); and

- *Fishback v. Paragon Framing, Inc.*, Case No. CIVDS1906610, San Bernardino County Superior Court, Honorable David Cohn, presiding (approving an hourly rate of \$425 for work performed in 2019 and 2020).
- *Fishback v. J.D. Miller Construction Inc.*, Case No. CIVDS1906611, San Bernardino County Superior Court, Honorable David Cohn, presiding (approving an hourly rate of \$425 for work performed from 2019-2021).
- *Teeba v. Brill, Inc.*, Case No. CIVDS1923242, San Bernardino County Superior Court, Honorable David Cohn, presiding (approving an hourly rate of \$425 for work performed from 2019-2021).
- *Gonzalez v. Precision Hospitality & Development, LLC*, Case No. 30-2020-01127597-CU-OE-CXC, Orange County Superior Court, Honorable Randall J. Sherman, presiding (approving an hourly rate of \$450 for work performed in 2020 and 2021).
- *Vides v. Celoseal Roofing, Inc.*, Case No. 30-2020-01162478-CU-OE-CXC, Orange County Superior Court, Honorable Randall J. Sherman, presiding (approving an hourly rate of \$475 for work performed from 2020-2022).
- *Qawas v. Socal Framing, Inc.*, Case No. RIC1902588, Riverside County Superior Court, Honorable Sunshine S. Sykes, presiding (approving an hourly rate of \$475 for work performed from 2019-2022).
- *Nelson v. Santini Foods, Inc.*, Case No. RG21090890, Alameda County Superior Court, Honorable Evelio Grillo, presiding (approving an hourly rate of \$475 for work performed in 2021 and 2022).
- *Zuniga v. Sonar Inc.*, Case No. 30-2019-01117310-CU-OE-CXC, Orange County Superior Court, Honorable Peter Wilson, presiding (approving an hourly rate of \$575 for work performed from 2019-2023).
- *Gonzalez v. Guardian Industries LLC*, Case No. 19CECG02134, Fresno County Superior Court, Honorable Jonathan M. Skiles, presiding (approving an hourly rate of \$575 for work performed from 2019-2023).

- 1 • *Gerardo Sanchez v. Dutton Home Services, LLC*, Case No. 22STCV01834, Los
2 Angeles County Superior Court, Honorable Maren E. Nelson, presiding (approving an
3 hourly rate of \$575 for work performed from 2022-2023).

4 5. I have also moved to certify and have received an order certifying a class action
5 and/or conditionally certifying a collective action as Class Counsel in the following cases:

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

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

15 7. In addition to the above cases, I also play a significant role in many of my firm's
16 current wage and hour class actions. The scope of my involvement includes but is not limited to:
17 corresponding with opposing counsel; attending court hearings; drafting and responding to
18 written discovery; preparing for and defending depositions; negotiating and drafting long-form
19 settlement agreements; attending mediations; and drafting motions for preliminary and final
20 approval.

21 8. Between 2020 and 2023, Thomson Reuters recognized me as a Top Young
22 Attorney in Southern California in the annual Rising Stars Edition of Super Lawyer. This is an
23 honor awarded to no more than two-and-a-half percent of attorneys under the age of forty in
24 Southern California each year.

25 9. As counsel for Plaintiff, I have been closely involved in all aspects of this litigation
26 since its inception and believe that the proposed Stipulation of Settlement ("Settlement
27 Agreement" or "Settlement") is a fair and reasonable result for the participating Settlement Class
28 members.

1 10. Defendant Wilwood Engineering (“Defendant”) designs and manufactures disc
2 brake systems calipers, brake pads, and rotors for numerous industries, including commercial
3 automobiles, competitive motorsports, agriculture (i.e. tractors and forklifts), industrial
4 applications (i.e. pumps, windmills, assembly line rollers, and roller coasters), and military
5 vehicles. Defendant employed Plaintiff as a non-exempt “Quality Inspector” from approximately
6 June 2022 until approximately April 2023. Plaintiff worked in Defendant’s Calle Bolero
7 warehouse facility in Camarillo, California. Plaintiff, like all other members of the Settlement
8 Class was subject to Defendant’s wage and hour policies and practices throughout the Class
9 Period.

10 11. On October 24, 2023, Plaintiff filed the initial class action complaint in this action.
11 On September 18, 2024, after exhausting his administrative remedies with the LWDA and
12 receiving this Court’s signed order authorizing amendment to the complaint, Plaintiff filed the
13 operative FAC to add a cause of action for civil penalties under PAGA, premised on the same
14 underlying Labor Code violations. Attached hereto as **Exhibit 3** are true and correct copies of
15 Plaintiff’s October 23, 2023 PAGA Notice letter, Plaintiff’s LWDA submission page, and the
16 LWDA’s confirmation of receipt.

17 12. As part of Plaintiff’s initial onboarding, Defendant required Plaintiff to sign an
18 arbitration agreement with a class action waiver. Through pre-mediation discussions with
19 Defendant’s counsel, rather than dismiss class claims and initiate Plaintiff’s individual arbitration,
20 the Parties agreed to attend mediation and attempt to resolve on a 1-year class and PAGA basis.
21 I personally reviewed the arbitration agreements and determined it was likely that they would be
22 enforceable as to the class claims. Thus, if the matter did not resolve at mediation, Plaintiff would
23 have had to request dismissal of the class claims and move forward with this matter as a PAGA-
24 only representative action.

25 13. Plaintiff asserts that Defendant failed to provide the Settlement Class members
26 with second meal periods when they worked shifts over 10.0 hours. Plaintiff contends that
27 Defendant never informed its employees that they even had the option to take a second 30-minute
28 meal period for these shifts. Additionally, Plaintiff maintains that while working Saturday shifts,

1 he was required to waive his meal period via a Saturday Lunch Waiver form signed during
2 onboarding. Plaintiff also asserts Defendant failed to pay any meal period premiums owed during
3 the relevant time period, which is itself a certifiable issue. Plaintiff's expert reviewed the
4 timekeeping records produced for mediation and determined that employees worked 7,628 shifts
5 in excess of 10.0 hours during the Class Period. Given Plaintiff's contention that Defendant did
6 not provide second meal periods to employees in the first place – meaning they did not have an
7 opportunity to waive this meal period, Plaintiff calculated Defendant's liability on this claim at
8 \$145,161 (7,628 meal period violations x \$19.03 average premium). Plaintiff discounted the
9 maximum exposure by 95% for the risk of non-certification, and without any additional discount
10 for the possibility of losing on the merits, arrived at an estimated exposure of \$7,258.

11 14. Defendant contends it maintained lawful meal period policies/practices throughout
12 the Class Period. Specifically, Defendant produced a facially-lawful meal period policy that it
13 claims has been in place and effective at all times during the Class Period, and all meal periods
14 were provided in compliance with its written policy. Further, Defendant asserts that Settlement
15 Class members signed meal period waivers during the Class Period, and therefore, if Settlement
16 Class members did not take meal periods it was due to waiver. Finally, Defendant contends that
17 Plaintiff's meal period claim is not suited for class certification as employees signed arbitration
18 agreements with class action waivers that prevent them from pursuing these claims in court.

19 15. Plaintiff alleges that Defendant failed to authorize and permit the Settlement Class
20 members to take all lawful rest periods to which they were entitled. Specifically, Defendant failed
21 to authorize and permit employees to take a "net" rest period of 10-minutes, as evidenced by
22 Defendant's written rest period policy that requires employees to be ready to begin working at
23 the conclusion of the 10-minute allotted rest period time. Further, Plaintiff contends that
24 Defendant refused to permit employees to leave the parking lot during rest periods and failed to
25 authorize any third rest periods for shifts over 10.0 hours. Plaintiff also alleges that Defendant
26 failed to pay *any* rest period premiums for rest period violations during the relevant time period.
27 Plaintiff's expert reviewed the timekeeping records produced for mediation and determined there
28 were 114,982 shifts in excess of 3.5 hours worked during the Class Period. Because Defendant

1 did not authorize and permit a “net” of 10-minutes of rest, and did not relinquish all control over
2 employees during rest periods, each of these shifts would accrue a rest period violation. Plaintiff
3 therefore calculates Defendant’s rest period exposure at \$2,188,107 (114,982 rest period
4 violations x \$19.03 avg. premium). Plaintiff discounted the maximum exposure by 95% for the
5 risk of non-certification, and without any additional discount for the possibility of losing on the
6 merits, arrived at an estimated exposure of \$109,405.

7 16. Defendant maintains it authorizes and permits the Settlement Class members to
8 take all lawful rest periods to which they are entitled. Further, Defendant asserts that employees
9 are permitted to leave the facility during rest breaks and that, despite its written policy, employees
10 are also authorized breaks in excess of 10 minute and therefore receive at least 10 “net” minutes
11 of rest in compliance with California law. Like all other class claims, Defendant contends that
12 this claim is uncertifiable given that employees signed arbitration agreements with class action
13 waivers.

14 17. Under California law, all non-exempt employees are entitled to paid sick time at
15 the regular rate of pay. Throughout the Class Period, Defendant paid employees shift differential
16 for the night shift and non-discretionary sales bonuses but failed to include the value of these
17 additional forms of pay when calculating the employees’ respective regular rates of pay for sick
18 pay. Plaintiff recognizes that this claim does not, by itself, include a private right of action.
19 However, the underpayment of sick pay wages does provide additional support for PAGA civil
20 penalties. Defendant asserts that its timekeeping policies/practices complied with California law
21 and that it has always properly compensated Settlement Class members throughout the Class
22 Period.

23 18. Plaintiff alleges that Defendant failed to reimburse the Settlement Class members
24 for all necessary business expenses incurred, in violation of Labor Code § 2802. Specifically,
25 Plaintiff asserts that Defendant required Plaintiff and other non-exempt employees to purchase
26 levelers and various other items to complete their daily tasks. Based on conversation with
27 Plaintiff, Plaintiff estimates that he and other employees spent at least \$100.00 on specialized
28 tools to perform his job duties during his employment. Plaintiff’s expert determined that there

1 were 326 employees who worked during the Class Period. Assuming each of these employees
2 experienced a similar amount of unreimbursed business expense, Plaintiff calculates Defendant's
3 exposure for this claim at \$32,600 (326 employees x \$100.00 unreimbursed expense). Plaintiff
4 discounted the maximum exposure by 95% for the risk of non-certification, and without any
5 additional discount for the possibility of losing on the merits, arrived at an estimated exposure of
6 \$1,630.

7 19. Defendant argues it maintained a policy to reimburse all reasonable and necessary
8 business expenditures and that, to the extent that any expenses were not reimbursed, Defendant
9 was either unaware of the expense itself was not reasonable or necessary. Defendant also
10 maintains that this claim is not suited for class certification as putative class members signed
11 arbitration agreements with class action waivers.

12 20. As a result of Defendant's alleged failure to pay all meal period and rest period
13 premiums, Plaintiff asserts that Defendant also failed to issue accurate and itemized wage
14 statements and failed to timely pay all final wages at the time of separation. As a result of these
15 alleged Labor Code violations, Plaintiff also seeks PAGA civil penalties on behalf of all aggrieved
16 employees.

17 21. According to the key data points provided by Defendant, approximately 326
18 Settlement Class members are eligible for wage statement penalties, and a total of 11,105 wage
19 statements were issued during the relevant period. Plaintiff calculated Defendant's maximum
20 possible wage statement exposure as approximately \$1,094,200 ((326 initial violations x \$50.00
21 per pay period) + (10,779 subsequent pay periods x \$100.00 per pay period)). Plaintiff discounted
22 the maximum exposure by 95% for the risk of non-certification, and without any additional
23 discount for the possibility of losing on the merits, arrived at an estimated exposure of \$54,710.

24 22. Based on data provided by Defendant, approximately 52 Settlement Class
25 members separated their employment during the relevant period applicable to this claim. As a
26 result of Defendant's unlawful meal period and rest period practices, Plaintiff asserts that each of
27 these employees are entitled to waiting time penalties. Plaintiff therefore calculated Defendant's
28 maximum exposure of \$237,484 (52 former employees x average waiting time penalty of \$4,567

1 (\$19.03 approximate average hourly rate x 8 hours x 30 days)). Plaintiff discounted the maximum
2 exposure by 95% for the risk of non-certification, and without any additional discount for the
3 possibility of losing on the merits, arrived at an estimated exposure of \$11,874.

4 23. According to Plaintiff's expert's data analysis, the Settlement Class members
5 worked a combined total of 11,105 pay periods during the PAGA liability period in which at least
6 one of Plaintiff's alleged Labor Code violations occurred. Plaintiff therefore calculates
7 Defendant's maximum PAGA exposure at \$1,110,500 (11,105 pay periods x \$100 per violation).
8 However, these penalties are exclusively derivative of the underlying violations that Defendant
9 vigorously disputes, both as to certification and the merits. Plaintiff also recognizes that the Court
10 has discretion to substantially reduce any award of PAGA penalties. Plaintiff discounted the
11 maximum figure by 70% for the risk that he would not prevail on any of the underlying claims
12 and for risk of the Court reducing penalties, to arrive at an estimated exposure of \$333,150.

13 24. In response, Defendant argues that Plaintiff's underlying claims will fail and, as a
14 result, the derivative wage statement, waiting time, and PAGA claims will also fail. Defendant
15 also maintains that Plaintiff cannot show that the wage statement violations were "knowing and
16 intentional," or that the putative class members "suffer[ed] injury" as a result of the alleged
17 violations, as required by Labor Code § 226(e) for the imposition of wage statement penalties.
18 Moreover, Defendant maintains that its good faith defenses to Plaintiff's underlying claims would
19 preclude the recovery of waiting time penalties, which are only available for the "willful" failure
20 to pay wages, and that this Court would exercise its discretion to substantially reduce any PAGA
21 penalties awarded.

22 25. Plaintiff's complaint also includes claims for unpaid minimum and overtime
23 wages due to time rounding, overtime underpayment due to a miscalculation of the regular rate
24 of pay, and failure to provide first meal periods. Based on a review of the documents Defendant
25 produced prior to mediation, Plaintiff's expert determined that the rounding claim did not result
26 in an underpayment of wages to any member of the putative class, that Defendant properly
27 included the value of incentive compensation in the regular rate of pay for overtime purposes, and
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1 that Defendant's first meal period compliance rate was over 99%. As a result, Plaintiff and his
2 expert determined these additional claims provide only nominal settlement value.

3 26. Using these estimated figures, Plaintiff estimated that the potential reasonable
4 recovery for the Settlement Class would be approximately \$518,028. Thus, the proposed recovery
5 to the Settlement Class of \$450,000 represents approximately 86.87% of Plaintiff's reasonably
6 forecasted class-wide recovery, which is well within the range approved by courts as being fair,
7 reasonable and adequate, while also avoiding further expense and risk of proceeding towards class
8 certification and trial.

9 27. Prior to formal discovery and in connection with mediation, Defendant provided
10 my office with timekeeping and payroll records for a representative 1/3 sample of putative class
11 members spanning the Class Period, as well as policy documents and key data points. Defendant
12 represents that there are approximately 326 individuals who worked during the Class Period.
13 Plaintiff, with the help of his retained expert who holds a PhD in labor economics, analyzed the
14 mediation data and created a class-wide exposure model for the claims at issue. On May 16, 2024,
15 the Parties participated in a mediation session with the Hon. Peter D. Lichtman (Ret.), during
16 which the Parties exchanged divergent views on Defendant's liability and exposure valuations
17 and their underlying legal positions. At the conclusion of mediation, Judge Lichtman made a
18 mediator's proposal that the Parties ultimately accepted. Over the following months, the Parties
19 finalized the terms of the proposed Settlement. Attached hereto as **Exhibit 1** is a true and correct
20 copy of the Parties' Stipulation of Settlement. Attached hereto as **Exhibit 2** are true and correct
21 copies of the Notice of Class and PAGA Action Settlement and Notice of Individual Settlement
22 Payment (collectively, the "Notice Packet").

23 28. If the Court preliminarily approves this settlement, Defendant will pay a Maximum
24 Settlement Amount ("MSA") of \$450,000.00. After deducting amounts for Court-approved
25 attorneys' fees and costs, Plaintiff's Class Representative Enhancement Payment, settlement
26 administration costs, and PAGA penalties, the Settlement provides for an estimated NSA of no
27 less than \$215,000.00. Based on the estimated NSA, average Individual Settlement Payments are
28 approximately \$659.51. The lowest possible is estimated Individual Settlement Payment of

1 approximately \$9.65 (in the event a Settlement Class member worked only one workweek during
2 the Class Period) and the highest possible is estimated Individual Settlement Payment of
3 approximately \$868.76 (in the event a Settlement Class member performed work in every
4 workweek throughout the Class Period).

5 29. At the time of seeking final settlement approval, Plaintiff will apply for a Class
6 Representative Enhancement Payment in the amount of \$5,000 for his service to the Settlement
7 Class and his general release of all claims. Plaintiff's requested class representative Enhancement
8 Payment is intended to recognize the significant time and effort that he expended on behalf of the
9 Settlement Class, including searching for relevant documents for use in the lawsuit, providing
10 factual information and relevant documents to my office, holding various phone calls with myself
11 and other attorneys at my office to discuss the claims in the lawsuit and Defendant's practices,
12 discussing the status of the case and general case strategy on multiple occasions, providing
13 valuable input to assist in preparing for mediation, making himself available during the mediation,
14 reviewing and providing input regarding the Settlement in his case, and otherwise assisting my
15 office in moving the case towards resolution, the significant risks Plaintiff undertook by serving
16 as the named plaintiff, and the fact that he agreed to a general release of all claims subject to a
17 waiver of Civil Code § 1542.

18 30. My firm will also apply for an attorneys' fee award of up to one third of the MSA
19 (currently estimated at \$150,000), and up to \$40,000 in reimbursement for actual litigation costs.
20 This requested fee is fair compensation for undertaking complex, risky, expensive, and time-
21 consuming litigation on a purely contingent fee basis. My firm has incurred substantial attorneys'
22 fees conducting pre-filing investigation, analyzing Plaintiff's claims, conducting legal research
23 and analysis, reviewing class documents and data produced by Defendant, retaining an expert and
24 extensively reviewing and evaluating the produced timekeeping and payroll records to build a
25 comprehensive damages model, preparing for and attending mediation, negotiating and drafting
26 the Memorandum of Understanding, long-form Settlement Agreement, and Notice Packet
27 documents, preparing this motion for preliminary approval, and otherwise litigating the case. My
28 firm will also expend future attorney time attending the hearing on this Motion, overseeing the

1 Notice process, drafting the Final Approval Motion and supporting documents, attending the Final
2 Approval hearing, and completing other tasks, such as fielding questions from Settlement Class
3 members.

4 31. Concurrently with the filing of this motion, Plaintiff provided notice of the
5 proposed Settlement, as well as copies of the Motion for Preliminary Approval and all papers
6 filed in support hereof, to the LWDA. Attached hereto as **Exhibit 4** are true and correct copies of
7 Plaintiff's settlement submission and the LWDA's confirmation of receipt.

8 32. I confirm that I do not have any interest or involvement in, and am not affiliated
9 with, the proposed settlement administrator, CPT Group, Inc.

10 I declare under penalty of perjury under the laws of California and the United States that
11 the foregoing is true and correct. Executed on October 7, 2024, at El Segundo, California.

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15 Andrew J. Rowbotham
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EXHIBIT 1

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement”) is reached by and between Plaintiff Eric Prado (“Plaintiff”), individually and on behalf of all members of the Settlement Class (defined below), on one hand, and Defendant Wilwood Engineering (hereinafter “Defendant”), on the other hand. Plaintiff and Defendant are referred to herein collectively as the “Parties.” Plaintiff and the Settlement Class are represented by Paul K. Haines, Fletcher W. Schmidt, and Andrew J. Rowbotham of Haines Law Group, APC (“Class Counsel”). Defendant is represented by Beth Schroeder and Matthew Pate of Raines Feldman Littrell LLP.

On October 24, 2023, Plaintiff filed a Class Action Complaint against Defendant in Ventura County Superior Court, in the matter entitled *Eric Prado v. Wilwood Engineering*, Case No. 2023CUOE015773 (the “Action”), alleging the following causes of action: (1) failure to pay all overtime wages; (2) minimum wage violations; (3) meal period violations; (4) rest period violations; (5) failure to reimburse necessary business expenditures; (6) wage statement penalties; (7) waiting time penalties; and (8) unfair competition. The Complaint is referred to hereinafter as the “Action”.

Given the uncertainty of litigation, and without Defendant making any admission as to the merits of any of the claims asserted, Plaintiff and Defendant wish to settle both individually and on behalf of the Settlement Class. Accordingly, Plaintiff and Defendant agree as follows:

1. **Amended Complaint.** Pursuant to the Parties’ stipulation, including no waiver of any claims, defenses, or other rights the Parties may have, on September 18, 2024, Plaintiff filed the First Amended Class and Representative Action Complaint (“FAC”) adding a cause of action for civil penalties under the Private Attorneys General Act (“PAGA”) based on the alleged violations set forth in Plaintiff’s letter to the Labor Workforce Development Agency (“LWDA”) dated October 23, 2023. The FAC is the operative complaint in the Action.

2. **Settlement Class.** For the purposes of this Settlement Agreement only, Plaintiff and Defendant stipulate to the certification of the following Settlement Class:

All current and former non-exempt employees of Defendant in California who worked at any time between October 24, 2022 and July 15, 2024 (the “Class Period”).

The Parties agree that certification for purposes of settlement is not an admission that class certification is proper under Code of Civil Procedure § 382. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be void, inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to their respective positions prior to entering into the Settlement Agreement.

3. **PAGA Aggrieved Employees.** For the purposes of this Settlement Agreement only, Plaintiff and Defendant stipulate that the PAGA Aggrieved Employees shall be defined as:

All current and former non-exempt employees of Defendant in California who worked at any time between October 24, 2022 and July 15, 2024 (the “PAGA Period”).

4. **Release by Settlement Class Members, PAGA Aggrieved Employees, and Plaintiff.** Plaintiff and every member of the Settlement Class (except those who opt out of the Settlement) will release and discharge Defendant, its past and present officers, directors, shareholders, managers, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and its respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys (“Defendant Releasees”) as follows:

- A. All members of the Settlement Class who do not opt-out will release and discharge Defendant and Defendant Releasees from all claims, demands, rights, liabilities and causes of action that were pled in the operative complaint in the Action as well as the violations asserted in Plaintiff’s letter to the LWDA dated October 23, 2023, or which could have been alleged based on the factual allegations therein, that arose during the Class Period, including but not limited to all claims for unpaid wages, unpaid overtimes, unpaid minimum wages, break premiums, liquidated damages, penalties, attorneys’ fees and costs (except as provided for herein with respect to payments to Class Counsel), and interest (collectively the “Released Claims”). The period of the Released Claims shall extend to the limits of the Class Period.
- B. PAGA Aggrieved Employees, regardless of whether they opt-out of the Settlement, will release and discharge Defendant and Defendant Releasees from all PAGA claims that are based on the Labor Code violations pled in the operative complaint in the Action or Plaintiff’s letter to the LWDA dated October 23, 2023, or which could have been pled in the operative complaint in the Action based on the factual allegations therein or in Plaintiff’s letter to the LWDA, that arose during the PAGA Period (collectively the “PAGA Released Claims”). The period of the PAGA Released Claims shall extend to the limits of the PAGA Period.
- C. In light of Plaintiff’s Class Representative Enhancement Payment, Plaintiff also agrees to release, as an individual and in addition to the released claims described in Paragraph 4.A. and 4.B., above, all claims, damages, penalties, whether known or unknown, of any kind or nature, under federal, state, and local law and regulations, including all claims for violation of the California Labor Code, federal Fair Labor Standards Act, California Fair Employment and Housing Act, including any claims for discrimination, harassment, or retaliation, California Government Code, Title VII of the federal Civil Rights Act, and all contract, tort, and common law claims against Defendant and Defendant’s Releasees. The Parties understand and agree that Plaintiff is not, by way of this release, releasing any workers’ compensation claims nor any other claims which cannot be released as a matter of law. Notwithstanding the foregoing, Plaintiff understands that this release includes unknown claims, and that Plaintiff is, as a result, waiving all rights and benefits afforded by California Civil Code § 1542, which provides:

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.

- D. The Settlement along with all associated releases will become effective once both of the following events occur: the Court grants final approval of the Settlement and Defendant deposits the entire Maximum Settlement Amount with the Settlement Administrator (“Effective Date”).

5. **Maximum Settlement Amount.** As consideration, Defendant agrees to pay a “Maximum Settlement Amount” of \$450,000.00 in full and complete settlement of the Action, as follows:

- A. The Parties have agreed to engage CPT Group, Inc. as the “Settlement Administrator” to administer this Settlement.
- B. The Maximum Settlement Amount shall be paid by Defendant no later than 30 days after: (i) the Settlement Administrator is engaged and provides Defendant with instructions respecting how to make payment and either (ii) entry by the Court of an Order granting final approval to the Settlement or (iii) any appeals or other challenges to the settlement are resolved, whichever is later.
- C. This is a non-reversionary settlement. The Maximum Settlement Amount includes:
- (1) All payments (including interest) to the Settlement Class, which is the “Net Settlement Amount as defined in Paragraph 6.A below, estimated at \$215,000.00 after the below deductions;
 - (2) All costs of the Settlement Administrator associated with the administration of the Settlement, which are anticipated to be no greater than \$10,000.00;
 - (3) Up to \$5,000.00 total for Plaintiff’s Class Representative Enhancement Payment in recognition for Plaintiff’s contributions to the Action and Plaintiff’s service to the Settlement Class;
 - (4) Up to one-third (1/3) of the Maximum Settlement Amount in Class Counsel’s attorneys’ fees (currently estimated at \$150,000.00), plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than \$40,000.00; and
 - (5) \$30,000.00 of the Maximum Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i) (pre-2024 amendment), 75% of such penalties (\$22,500.00), will be payable to the LWDA, and the remaining 25% (\$7,500.00), will be payable to the PAGA Employees as the “PAGA Amount,” as described below.

- D. Defendant will not oppose the reasonableness of these requests. Any reduction by the Court of these requests will revert to the Class Amount.
- E. **Escalator Clause.** Defendant represents that there are an estimated 22,273 weekly pay periods worked by the Settlement Class members during the Class Period. If the number of total weekly pay periods worked by Settlement Class members during the Class Period, as reported to the Settlement Administrator following preliminary approval, is more than 10% greater than this figure (i.e., if there are 24,501 or more total weekly pay periods), Defendant will have the option to: (1) increase the Maximum Settlement Amount on a proportional basis according to the percentage increase in weekly pay periods above 10% (i.e., if there was 15% increase in pay periods, Defendant would increase the Maximum Settlement Amount by 5%); or (2) cut the Class Period and PAGA Period off as of the date before the 24,501 weekly pay period threshold is triggered.
- Should this clause be triggered, Defendant will have 5 business days (starting the day after receiving the preliminary calculations from the Settlement Administrator) to notify Class Counsel and the Settlement Administrator of their option. Should no option be selected by Defendant within this time period, the default option will be to cut the Class and PAGA Period off as of the last day of the pay period before the 24,501 pay periods was reached.
- F. **Employer Payroll Taxes.** The Maximum Settlement Amount does not include the employer's share of payroll taxes on any amounts designated as wages, which shall be paid by Defendant separate and apart from, and in addition to, the Maximum Settlement Amount.

6. **Payments to the Settlement Class and PAGA Employees.** Settlement Class members are not required to submit a claim form to receive a payment ("Individual Class Payment") from the Settlement. PAGA Employees are not required to submit a claim form to receive their individual share of the PAGA Amount ("Individual PAGA Payment"). The individual payment to each PAGA Employee and/or participating Class member, combining, if applicable, the Individual PAGA Payment and Individual Class Payment, are referred to herein as the "Individual Settlement Payment." Individual Settlement Payments will be determined and paid as follows:

- A. To calculate the Net Settlement Amount, the Settlement Administrator shall deduct from the Maximum Settlement Amount the amounts approved by the Court for Class Counsel's attorneys' fees, Class Counsel's costs and expenses, the Class Representative Enhancement Payment, the Settlement Administrator's fees and expenses for administration, and the amount of PAGA civil penalties payable to the LWDA and PAGA Employees.
- B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class member's Individual Settlement Payment based on the following formula:

- i. Payments from the Net Settlement Amount (“NSA”): The Settlement Administrator will calculate payments from the NSA based on each participating Settlement Class member’s proportionate weekly pay periods worked during the Class Period. Specifically, each participating Settlement Class member’s payment from the NSA will be calculated by multiplying the NSA by a fraction, the numerator of which is the participating Settlement Class member’s number of weekly pay periods worked during the Class Period, and the denominator of which is the total weekly pay periods worked by all participating Settlement Class members during the Class Period.
- C. PAGA Amount: Each PAGA Employee shall receive a portion of the PAGA Amount proportionate to the number of workweeks that each worked during the PAGA Period. Each PAGA Employee’s payment from the PAGA Amount will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the PAGA Employee’s number of weekly pay periods worked during the PAGA Period, and the denominator of which is the total weekly pay periods worked by PAGA Employees during the PAGA Period..
- D. Within 10 business days following the funding of the Maximum Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate each Individual Settlement Payment, and will prepare and mail Individual Settlement Payments to Settlement Class members and PAGA Employees. If an Individual Settlement Payment includes both an Individual Class Payment and Individual PAGA Payment, the Settlement Administrator may issue a single check for the combined total. The Settlement Administrator will also mail a follow-up post card to individuals who have not cashed their Individual Settlement Payments no later than 60 days prior to the check cashing deadline. At the same time, the Settlement Administrator will also distribute the amounts awarded to Class Counsel for attorneys’ fees and costs, the amount awarded to the LWDA for its share of PAGA civil penalties, and the amount awarded to the Settlement Administrator for its costs administering the Settlement.
- E. The portion of the Individual Settlement Amount, if any, representing an Individual Class Payment shall be allocated as 1/3 wages and 2/3 penalties and interest. The Settlement Administrator will be responsible for issuing to participating Settlement Class members an IRS Form W-2 (for amounts paid as wages) and an IRS Form 1099 (for amounts paid as penalties and interest). Individual PAGA Payments will be attributed 100% to penalties and reported via an IRS Form 1099. Settlement Class members will be responsible for all employee-side taxes due on Individual Settlement Payments.
- F. Defendant shall fully discharge its obligations to, and the applicable releases herein shall be effective as to, those Settlement Class members and PAGA Employees to whom Defendant will pay an Individual Settlement Amount through the Settlement Administrator’s mailing of a settlement check, regardless of whether such checks

are actually received and/or negotiated by Settlement Class members and PAGA Employees. Any check that is not negotiated within 180 days of mailing to a Settlement Class member and/or PAGA Employee (the "check cashing deadline") shall be distributed by the Settlement Administrator to the California Controller's Unclaimed Property Fund in the name of the intended recipient thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure § 384(b).

- G. The Parties shall not bear any liability for lost, stolen, undelivered or misdelivered checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

7. **Attorneys' Fees and Costs.** Defendant will not object to Class Counsel's request for a total award of attorneys' fees of up to one-third of the Maximum Settlement Amount, which is currently estimated to be \$150,000.00. Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed \$40,000.00 from the Maximum Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed, and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award approved by the Court.

8. **Class Representative Enhancement Payment.** Defendant will not object to a request for Class Representative Enhancement Payment totaling \$5,000.00 for Plaintiff's time and risk in prosecuting this case and Plaintiff's service to the Settlement Class and as a PAGA representative. This award will be in addition to Plaintiff's Individual Settlement Payment as a Settlement Class member and PAGA Employee, and shall be reported on an IRS Form 1099 issued by the Settlement Administrator.

9. **Settlement Administrator.** Defendant will not object to the appointment of CPT Group, Inc. as Settlement Administrator. Defendant will not object to Plaintiff seeking approval to pay up to \$10,000.00 for the administration services from the Maximum Settlement Amount. The Settlement Administrator shall be responsible for sending notices to the Settlement Class members and PAGA Employees, for calculating Individual Settlement Payments, and for preparing all checks and mailings. The Settlement Administrator shall be authorized to pay itself from the Maximum Settlement Amount only after Individual Settlement Payments have been mailed to all Settlement Class members.

10. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for settlement purposes only;

- B. Appointing Paul K. Haines, Fletcher W. Schmidt, and Andrew J. Rowbotham of Haines Law Group, APC as Class Counsel;
- C. Appointing Plaintiff Eric Prado as Class Representative for the Settlement Class;
- D. Approving CPT Group, Inc. as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice and Notice of Settlement Payment), and which counsel for all Parties shall mutually agree upon before submitting to the Court, and directing the mailing of same; and
- G. Scheduling a Final Approval hearing.

11. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within 10 business days after the Court signs an order preliminarily approving this Agreement and notice of such order is provided to the Parties, Defendant will provide the Settlement Administrator with the names, last known addresses, phone numbers (if available), social security numbers (if applicable), dates of employment, and information sufficient to calculate weekly pay periods, for each Settlement Class member and PAGA Employee during the Class Period and PAGA Period.
- B. Within 10 business days from receipt of this information, the Settlement Administrator shall (i) run the names of all Settlement Class members and PAGA Employees through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class members and PAGA Employees; (ii) update the address of any Settlement Class member or PAGA Employee for whom an updated address was found through the NCOA search; (iii) calculate the estimated Individual Settlement Payment for each Settlement Class member and PAGA Employee; and (iv) mail a Notice Packet to each Settlement Class member and PAGA Employee at their last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline (as defined below) shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within 5 business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member or PAGA Employee immediately, and in any event within 5 business days of obtaining

the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member or PAGA Employee. Settlement Class members or PAGA Employees to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have an additional 14 calendar days after the Response Deadline to opt-out, object, or dispute their Individual Settlement Payment. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline.

- D. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the Settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within 60 calendar days of the date of the initial mailing of the Notice Packets (the "Response Deadline").
- i. The Notice Packet shall state that Settlement Class members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement, except that a Request for Exclusion not containing a Class member's telephone number and/or last four digits of the Social Security number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class member who requests to be excluded from the Settlement Class will not be entitled to an Individual Class Payment and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon.
 - ii. PAGA Employees may not opt-out of the release of PAGA claims (as described in Paragraph 4.B.) and will thus receive their Individual PAGA Payment even if they validly request exclusion from the class and do not receive an Individual Class Payment.
 - iii. At no time will the Parties or their counsel seek to solicit or otherwise encourage any Settlement Class member to object to the Settlement or opt-out of the Settlement Class or encourage any Settlement Class member to appeal from the final judgment.
- E. Objections. Members of the Settlement Class who do not opt-out may object to this Settlement Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections as received on

Class Counsel and Defendant's counsel, as well as file all such objections with the Court) within the Response Deadline. Any such written objections must contain the Settlement Class member's name, address, and last four digits of their social security number and must state the legal and factual bases for objection. The objection must also be signed by the Settlement Class member. Defendant's counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval. To be valid, any objection must be postmarked no later than the Response Deadline. Any Settlement Class member who wishes to may appear in person or through their own counsel and raise an objection at the Final Approval Hearing. Settlement Class members need not submit written objections to be heard by the Court at the Final Approval Hearing.

- F. Notice of Individual Settlement Payment / Disputes. Each Notice Packet mailed to a Settlement Class member or PAGA Employee shall disclose the amount of their estimated Individual Settlement Payment as well as all of the information that was used to calculate the Individual Settlement Payment. Settlement Class members and PAGA Employees will have the opportunity, should they disagree with Defendant's records regarding the information stated in the Notice of Settlement Payment, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payment under the terms of this Settlement Agreement. However, if the Settlement Administrator and the Parties cannot agree on a resolution, the Parties will submit the dispute to the Court for a final determination.
- G. Notice of Judgment Provided to Settlement Class. Should the Court award final approval of this Settlement, the Settlement Administrator will host a copy of the judgment on its website and provide a copy of the URL information with Individual Settlement Payments. The Settlement Administrator will maintain this website until at least the check cashing deadline.
- H. Defendant will not retaliate against the Settlement Class members and PAGA Employees for their participation in, exclusion from, or objections to the Settlement and/or the Action.

12. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

- A. Granting final approval of the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;

- B. Approving Plaintiff's and Class Counsel's application for attorneys' fees and costs, Class Representative Enhancement Payment, settlement administration costs, and payment to the LWDA for its share of civil penalties under PAGA; and
- C. Entering judgment pursuant to California Rule of Court 3.769.

13. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation and not as an admission of the merits of any claim or defense.

14. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

15. **Confidentiality.** The Parties and their counsel will keep the Settlement, the Settlement-related documents, and their Settlement negotiations confidential, and will not disclose that information to any third party through the date the motion for preliminary approval is filed. Thereafter, the Parties agree to make no comments to the media or otherwise publicize the terms of the Settlement.

16. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Plaintiff: Fletcher W. Schmidt of Haines Law Group, APC
2155 Campus Drive, Suite 180, El Segundo, CA 90265
fschmidt@haineslawgroup.com

if to Defendant: Beth Schroeder and Matthew Pate of Raines Feldman Littrell LLP
1900 Avenue of the Stars 19th Floor, Los Angeles, CA 90067
bschroeder@raineslaw.com; mpate@raineslaw.com

17. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

18. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

19. **Enforcement Action.** In the event that one more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement

Agreement or to declare rights and/or obligations under this Settlement Agreement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

20. **Continuing Jurisdiction.** The Parties stipulate that, pursuant to California Code of Civil Procedure § 664.6, the Ventura County Superior Court will retain jurisdiction over the Parties to enforce this Settlement Agreement until full performance of the terms of the settlement has been completed.

Date: 10/03/24


Eric Prado (Oct 3, 2024 21:07 PDT)
Plaintiff Eric Prado

Date:

Name:
Defendant Wilwood Engineering

Agreement or to declare rights and/or obligations under this Settlement Agreement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

20. **Continuing Jurisdiction.** The Parties stipulate that, pursuant to California Code of Civil Procedure § 664.6, the Ventura County Superior Court will retain jurisdiction over the Parties to enforce this Settlement Agreement until full performance of the terms of the settlement has been completed.

Date:

Plaintiff Eric Prado

Date:

4 OCT 2024



Name: Larry Wolff
Defendant Wilwood Engineering

EXHIBIT 2

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF VENTURA

ERIC PRADO, as an individual and on behalf of all
others similarly situated,

Plaintiff,

vs.

WILWOOD ENGINEERING, a California
Corporation; and DOES 1 through 100,

Defendants.

Case No. 2023CUOE015773

**NOTICE OF CLASS AND PAGA ACTION
SETTLEMENT**

To: All current and former non-exempt employees of Defendant Wilwood Engineering in California who worked at any time between October 24, 2022 and July 15, 2024 (the “Class Period”). Collectively, these employees will be referred to as “Class Members” or the “Settlement Class.”

**THIS NOTICE IS BEING PROVIDED TO YOU IN BOTH ENGLISH AND SPANISH
PLEASE READ THIS NOTICE CAREFULLY
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT**

Why should you read this notice?

The Court has granted preliminary approval of a proposed class and PAGA action settlement (the “Settlement”) in *Eric Prado v. Wilwood Engineering*, Ventura County Superior Court Case No. 2023CUOE015773 (the “Lawsuit”). Your rights may be affected by the Settlement, and it is important that you read this notice carefully.

You may be entitled to money from this Settlement. Defendant Wilwood Engineering’s (“Defendant”) records show that you were employed by Defendant as a non-exempt employee in California during the Class Period. The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment.

What is this case about?

Plaintiff Eric Prado (“Plaintiff”) brought this lawsuit against Defendant, asserting claims on behalf of all Class Members. Plaintiff is known as the “Class Representative,” and his attorneys, who also represent the interests of all Class Members, are known as “Class Counsel.”

In the Lawsuit, Plaintiff alleges that Defendant: (1) failed to pay all overtime wages; (2) failed to pay all minimum wages; (3) failed to provide all lawful meal periods; (4) failed to authorize and permit all lawful rest periods; (5) failed to reimburse necessary business expenses; (6) failed to issue accurate itemized wage statements; (7) failed to timely pay all final wages upon separation; (8) engaged in unfair competition; and (9) is liable for civil penalties under the Private Attorneys General Act (“PAGA”).

Defendant denies that it has done anything wrong and denies that it owes Class Members any damages, restitution, penalties, or other payments. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Defendant, which expressly denies all liability.

The Court has not ruled on the merits of Plaintiff's claims. However, to avoid additional expense, inconvenience, and interference with business operations, the parties concluded that it is in the best interests of Defendant and the Class Members to settle the Lawsuit on the terms summarized in this Notice. After Defendant provided relevant information and documents to Class Counsel, the Settlement was reached after mediation and arms'-length negotiations between the parties.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Defendant, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with ongoing litigation.

If you are still employed by Defendant, your decision about whether to participate in the Settlement will not affect your employment. California law and Defendant's policy strictly prohibit unlawful retaliation. Defendant will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Class Member because of his or her decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for Plaintiff / Class Members: HAINES LAW GROUP, APC Paul K. Haines (SBN 248226) phaines@haineslawgroup.com Fletcher W. Schmidt (SBN 286462) fschmidt@haineslawgroup.com Andrew J. Rowbotham (SBN 301367) arowbotham@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 haineslawgroup.com	Attorneys for Defendant: RAINES FELDMAN LITRELL LLP Beth A. Schroeder (SBN 119504) bschroeder@raineslaw.com Matthew Pate (SBN 317136) mpate@raineslaw.com 1900 Avenue of the Stars, 19th Floor Los Angeles, California 90067 Tel: (310) 440-4100 Fax: (310) 691-1367 raineslaw.com
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What are the terms of the Settlement?

On <<PRELIM APPROVAL DATE>>, the Court preliminarily certified a class – for settlement purposes only – of all current and former non-exempt employees of Defendant in California who worked at any time between October 24, 2022 and July 15, 2024. Class Members who do not submit a valid and timely Request for Exclusion from the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Defendant, as described below in the “Release” section.

Defendant has agreed to pay \$450,000.00 (the “Maximum Settlement Amount”) to fully resolve all claims in the Lawsuit, including payments to Class Members, attorneys’ fees and verified cost reimbursement, settlement administration costs, payment to the California Labor and Workforce Development Agency (“LWDA”) for its share of PAGA civil penalties, and the Class Representative Enhancement Payment. The following deductions from the Maximum Settlement Amount will be requested by the parties:

Settlement Administration Costs. The Court has approved CPT Group, Inc. to act as the “Settlement Administrator,” who is sending this Notice to you and who will perform many other duties relating to the Settlement. The Court has approved setting aside up to \$10,000.00 from the Maximum Settlement Amount to pay the Settlement administration costs.

Attorneys’ Fees and Expenses. Class Counsel have been prosecuting the Lawsuit on behalf of the Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys’ fees, which will be paid from the Maximum Settlement Amount. Class Members are not personally responsible for any

of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for attorneys' fees of up to one-third of the Maximum Settlement Amount (which is currently estimated to be \$150,000.00) as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through final approval of the Settlement. Class Counsel also will ask for reimbursement of up to \$40,000.00 for verified costs and expenses which were incurred by Class Counsel in connection with the Lawsuit.

Class Representative Enhancement Payment. Class Counsel will ask the Court to award \$5,000.00 to Plaintiff as a Class Representative Enhancement Payment. This is meant to compensate Plaintiff for his general release of claims against Defendant and his service and extra work provided on behalf of the Class Members.

PAGA Payment to the State of California. The parties have agreed to allocate \$30,000.00 of the Maximum Settlement Amount as PAGA civil penalties. Per Labor Code Section 2699(i), 75% of such penalties (\$22,500.00) will be payable to the LWDA for its share of PAGA penalties, and the remaining 25% (\$7,500.00) will be payable to PAGA Employees (defined below) as part of the Net Settlement Amount.

Calculation of Class Members' Individual Settlement Payments. After deducting the Court-approved amounts above, the balance of the Maximum Settlement Amount will form the Net Settlement Amount, which will be distributed to all Class Members who do not submit a valid and timely Request for Exclusion (described below). The Net Settlement Amount will be divided as follows:

- (i) PAGA Amount: The \$7,500.00 payable to PAGA Employees as their 25% portion of the PAGA civil penalties shall be designated as the "PAGA Amount." Each current and former non-exempt employees of Defendant in California who worked at any time between October 24, 2022 and July 15, 2024 (the "PAGA Period") (collectively the "PAGA Employees"), regardless of whether they timely submit a Request for Exclusion, shall receive a portion of the PAGA Amount proportionate to the number of workweeks that he or she worked during the PAGA Period compared to the total number of workweeks worked by all PAGA Employees during the PAGA Period.
- (ii) The remainder of the Net Settlement Amount will be distributed to all Class Members based on their proportionate number of workweeks worked during the Class Period, by multiplying the remaining Net Settlement Amount by a fraction, the numerator of which is the Class Member's number of workweeks worked during the Class Period, and the denominator of which is the total number of workweeks worked by all Class Members during the Class Period.

Payments to Class Members. If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Class Members who did not submit a valid and timely Request for Exclusion. Settlement checks will be valid for 180 calendar days from the date the Settlement Administrator mails it. Any funds payable to Class Members whose checks are not cashed within 180 calendar days after mailing will be distributed by the Settlement Administrator to the California Controller's Unclaimed Property Fund in the name of the intended recipient.

Allocation and Taxes. For tax purposes, each Individual Settlement Payment will be allocated as 1/3 wages (subject to applicable withholdings), and 2/3% interest and penalties (not subject to withholdings). Each PAGA Amount payable to the PAGA Employees shall be allocated as 100% penalties. Class Members are responsible for the proper income tax treatment of the Individual Settlement Payments. The Maximum Settlement Amount does not include the employer's share of payroll taxes, which shall be paid by Defendant separate and apart from, and in addition to, the Maximum Settlement Amount. The Settlement Administrator, Defendant and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Class Members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement, each Class Member who has not submitted a timely and valid Request for Exclusion will release and discharge Defendant, its past and present officers, directors, shareholders, managers, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and its respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys ("Defendant Releasees") from all claims, demands, rights, liabilities and causes of action that were pled in the operative complaint in the Action as well as the violations asserted in Plaintiff's letter to the LWDA dated October 23, 2023, or which could have been alleged based on the factual allegations therein, that arose during the Class Period, including but not limited to all claims for unpaid

wages, unpaid overtime, unpaid minimum wages, break premiums, liquidated damages, penalties, attorneys' fees and costs (except as provided for herein with respect to payments to Class Counsel), and interest (collectively the "Released Claims"). The period of the Released Claims shall extend to the limits of the Class Period.

PAGA Release. If the Court approves the Settlement, the PAGA Employees will be issued a check for their share of the PAGA Amount, regardless of whether they validly opt-out of the class-action portion of the Settlement, and will be deemed to release and discharge Defendant and Defendant Releasees from all PAGA claims that are based on the Labor Code violations pled in the operative complaint in the Action or Plaintiff's letter to the LWDA dated October 23, 2023, or which could have been pled in the operative complaint in the Action based on the factual allegations therein or in Plaintiff's letter to the LWDA, that arose during the PAGA Period (collectively the "PAGA Released Claims"). The period of the PAGA Released Claims shall extend to the limits of the PAGA Period.

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Class Members, and the entry of Judgment.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your Individual Settlement Payment, which has been calculated for you based on the formula set forth above, as stated in the accompanying Notice of Individual Settlement Payment. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Dispute Information in Notice of Individual Settlement Payment. Your award is based on the proportionate number of workweeks that you worked during the relevant time periods. The information contained in Defendant's records regarding this information, along with your estimated Individual Settlement Payment, is listed on the accompanying Notice of Individual Settlement Payment. If you disagree with the information in your Notice of Individual Settlement Payment, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Individual Settlement Payment. Any disputes, along with supporting documentation, must be postmarked no later than **<<RESPONSE DEADLINE>>**. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Class Members. Should a consensus not be reached, any outstanding disputes will be submitted to the Court for a final determination.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a written "Request for Exclusion" letter, postmarked no later than **<<RESPONSE DEADLINE>>**, with your name, address, telephone number, last four digits of your social security number, and your signature. The Request for Exclusion must state:

"I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *ERIC PRADO V. WILWOOD ENGINEERING* LAWSUIT FILED IN THE VENTURA COUNTY SUPERIOR COURT, CASE NO. 2023CUOE015773. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE CLASS ACTION PORTION OF THE SETTLEMENT IN THIS LAWSUIT."

Send the Request for Exclusion directly to the Settlement Administrator at **<<ADMINISTRATOR CONTACT INFO>>**. Any person who submits a timely Request for Exclusion from the Settlement shall, upon receipt by the Settlement Administrator, no longer be a Class Member, shall be barred from participating in the class action portion of the Settlement, and shall receive no benefits from the class action portion of the Settlement. However, all PAGA Employees, including those who submit a timely Request for Exclusion, will be bound by the PAGA portion of the Settlement and will receive a portion from the PAGA Amount. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you may mail a written objection by <<RESPONSE DEADLINE>> to the Settlement Administrator at <<ADMINISTRATOR CONTACT INFO>>. Your written objection should include your full name, signature, address, telephone number, and the last four digits of your Social Security number, as well as contact information for any attorney representing you regarding your objection, the case name and number, all objections and the factual and legal basis for the same, and any and all supporting papers, briefs, declarations, and/or other evidence supporting your objection. All objections or other correspondence must state the name and number of the case, which is *Eric Prado v. Wilwood Engineering*, Ventura County Superior Court Case No. 2023CUOE015773. Objections in writing must be postmarked on or before <<RESPONSE DEADLINE>>.

You may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department 43 of the Ventura County Superior Court, located at 800 South Victoria Avenue, Ventura, California 93009. The location, date, and time of the Final Approval Hearing may be moved without further notice to you. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing, if you wish to appear in person. You have the right to appear either in person or through your own attorney at this hearing, whether or not you submit a written objection. If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department 43 of the Ventura County Superior Court, located at 800 South Victoria Avenue, Ventura, California 93009. The location, date, and time of the Final Approval Hearing may be moved without further notice to you. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses, the Enhancement Payment to the Class Representative, the Settlement Administrator's costs, and the amount related to the PAGA civil penalties. **You are not required to attend the Final Approval Hearing.**

How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Clerk's Office at the Ventura Courthouse (Hall of Justice), located at 800 South Victoria Avenue, Ventura, California 93009, during regular business hours. You may also contact Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT, DEFENDANT, OR ITS ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is <<RESPONSE DEADLINE>>.

NOTICE OF INDIVIDUAL SETTLEMENT PAYMENT

ERIC PRADO V. WILWOOD ENGINEERING
VENTURA COUNTY SUPERIOR COURT, CASE NO. 2023CUOE015773

Please complete, sign, date and return this Form to <<ADMINISTRATOR CONTACT INFO>> **ONLY IF** (1) your personal contact information has changed, and/or (2) you wish to dispute any of the information listed in Section (III), below. It is your responsibility to keep a current address on file with the Settlement Administrator.

(I) Please type or print your name:

(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed:

Former Names (if any)

New Street Address

City

State

Zip Code

(III) Information Used to Calculate Your Individual Settlement Payment:

According to Defendant's records:

- (a) You worked _____ workweeks during the Class Period;
- (b) There were _____ workweeks worked by all Class Members during the Class Period;
- (c) You worked _____ workweeks during the PAGA Period;
- (d) There were _____ workweeks worked by all PAGA Employees during the PAGA Period.

Based on the above, your share of the Class Payment is estimated to be \$<<CLASS PAYMENT>> and your portion of the PAGA Payment is estimated to be \$<<PAGA PAYMENT>>. Adding these figures together, your Individual Settlement Payment is therefore estimated to be \$<<INDIVIDUAL SETTLEMENT PAYMENT>>.

(IV) If you disagree with items (a) - (d) in Section (III) above, please explain why in the space provided below and include copies of any supporting evidence or documentation with this form:

If you dispute the above information from Defendant's records, those records will control unless you are able to provide documentation that establishes that Defendant's records are mistaken. If there is a dispute about whether Defendant's information or yours is accurate, and the dispute cannot be resolved informally, the dispute will be resolved by the parties and the Settlement Administrator as described in the Class Notice that accompanies this Form. Any unresolved disputes will be submitted to the Court for a final determination.

**ANY DISPUTES, ALONG WITH ANY SUPPORTING DOCUMENTATION, MUST BE POSTMARKED
NO LATER THAN <<RESPONSE DEADLINE>>.**

Signature: _____

Date: _____

EXHIBIT 3

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

October 23, 2023

VIA LWDA WEBSITE

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

Re: *Eric Prado v. Wilwood Engineering*

To Whom It May Concern:

Please be advised that this law firm represents Eric Prado (“Mr. Prado”) in claims arising from his employment with Wilwood Engineering, and Does 1 through 100 (“Defendants”). Mr. Prado is an “aggrieved employee” within the meaning of Labor Code § 2699.3 as to all of the violations alleged herein. *See Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal.App.5th 745, 754 (“any Labor Code penalties recoverable by state authorities may be recovered in a PAGA action by a person who was employed by the alleged violator and affected by at least *one* of the violations alleged in the complaint.”) (emphasis added). The purpose of this letter is to comply with Labor Code § 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, “aggrieved employees” includes all of Defendants’ non-exempt employees who worked for Defendants in California during the one year immediately preceding the date of this letter through the present.

Defendants manufacture automotive disc brake systems, calipers, brake pads, and rotors. Mr. Prado was employed at Defendants’ Calle Bolero facility in Camarillo, California. Defendants employed Mr. Prado as a non-exempt “Quality Inspector” from approximately June 2022 until approximately March 2023. Mr. Prado’s primary job duties included inspecting and measuring finished products and comparing against blueprints. Unless otherwise stated, all allegations herein occurred during Mr. Prado’s employment with Defendants.

Defendants failed to compensate Mr. Prado and other aggrieved employees for all hours actually worked, resulting in unpaid minimum wages and additional unpaid overtime wages. Specifically, Defendants rounded and/or shaved Mr. Prado’s and other aggrieved employees’ hours to the quarter hour, which resulted in Mr. Prado and other aggrieved employees not being compensated for all hours actually worked. Due to Defendants’ timekeeping policies and practices that fail to compensate for all hours worked, Mr. Prado and other aggrieved employees were deprived of all required minimum wages. *See Camp v. Home Depot U.S.A., Inc.*, (2022) 84 Cal.App.5th 638, 654 (“[I]f an employer, as in this

case, can capture and has captured the exact amount of time an employee has worked during a shift, the employer must pay the employee for “all the time” worked.”). Defendants also failed to maintain accurate timekeeping records when it comes to meal periods. For example, Defendants regularly adjusted Mr. Prado’s, and other aggrieved employees’ time records to reflect timely, 30-minute meal periods, without verifying if Mr. Prado and other aggrieved employees were provided timely, duty-free, 30-minute meal periods. As a result, Defendants have failed to provide duty-free meal periods, resulting in Mr. Prado and other non-exempt employees performing off-the-clock work during their purported meal periods. See *Kaanaana v. Barrett Business Services, Inc.* (2018) 29 Cal.App.5th 778, 808 (holding that requiring employees to work through any portion of meal period entitles them to payment for actual time worked as well as an additional hour of pay for the meal period premium). Further, on occasions when Mr. Prado worked over eight hours in a day and/or forty hours in a workweek, this process of adjusting Mr. Prado’s timekeeping records also deprived him of all overtime wages owed.

Mr. Prado also routinely worked over 8 hours per workday and/or over 40 hours per workweek but did not receive overtime compensation equal to one and one-half times his regular rate of pay for overtime hours. Specifically, Mr. Prado and other aggrieved employees earned non-discretionary bonuses and differentials (including a differential for working the night shift) and other forms of pay that cannot be excluded from the regular rate of pay as a matter of law (hereinafter “Incentive Pay”). As a result of paying Mr. Prado and other aggrieved employees Incentive Pay, Defendants failed to properly calculate the regular rate of pay, resulting in unpaid overtime wages. Additionally, upon information and belief, Defendants only paid “sick pay” at Mr. Prado and other aggrieved employees’ hourly rate. Thus, in instances that Mr. Prado and other aggrieved employees earned Incentive Pay in the same time period that sick pay was paid, the sick pay was underpaid.

Defendants also failed to provide Mr. Prado and other aggrieved employees with all legally-compliant meal periods due to Defendants’ unlawful meal period policies/practices that failed to provide timely, uninterrupted, duty-free 30-minute meal periods before the fifth hour of work or *any* second meal periods when they worked shifts over 10.0 hours. Specifically, Defendants frequently failed to provide 30-minute meal periods before the end of the fifth hour of work. As discussed above, Defendants manually adjusted Mr. Prado’s and other aggrieved employees’ timekeeping records to reflect timely, 30-minute meal periods without verifying if Mr. Prado and other aggrieved employees received timely and uninterrupted meal periods. Moreover, Defendants failed to provide a “net” of 30-minute meal periods. For example, Mr. Prado and other aggrieved employees had to walk at least 2 minutes, each way, to and from the break room to their workstation. Mr. Prado, however, was required to begin his 30-minute meal periods the moment he left his workstation and return to his workstation before the end of his 30-minute allotment, thereby shortening the purported meal periods. Further, Defendants failed to compensate Mr. Prado and other aggrieved employees with meal period premiums for each workday in which a meal period violation occurred, as required by Labor Code § 226.7.

Defendants regularly failed to authorize and permit Mr. Prado and other aggrieved employees to take duty-free 10-minute rest periods for every four hours worked, or major fraction thereof, and *any* third rest periods after the tenth hour of work, due to Defendants' unlawful rest period policies/practices. In the event Mr. Prado and other aggrieved employees were able to take their rest periods, Defendants failed to authorize and permit rest periods for a "net" of 10 minutes. Under California law, Defendants are required to authorize and permit a "net" rest period of 10-minutes that begins when the employee reaches a rest area away from his or her workstation and must be uninterrupted during the duration of the rest period. *See e.g.*, Division of Labor Standards Enforcement Manual ("DLSE Manual") §45.3.3; *Vaquero v. Stoneledge Furniture LLC*, (2017) 9 Cal.App.5th 98, 111-112 (citing DLSE Manual § 45.3.3 for the proposition that "the rest period begins when the employee reaches an area away from the workstation that is appropriate for rest"); *Augustus v. ABM Security Services, Inc.*, (2016) 2 Cal.5th 257, 260 ("[D]uring required rest periods, employers must relieve their employees of all duties and relinquish any control over how employees spend their break time"). As such, Defendants maintained an unlawful rest period policy/practice by mandating that its employees' 10-minute rest periods begin the moment they leave their workstation, and requiring its employees leave the breakroom and return to their workstation before the end of their rest period, thereby shortening their purported rest periods. As a result, Defendants have failed to compensate Mr. Prado with the required rest period premium for each workday in which he experienced a rest period violation as mandated by Labor Code § 226.7.

During their respective employments with Defendants, Mr. Prado and other aggrieved employees were not reimbursed for all necessary business expenses pursuant to Labor Code § 2802. Specifically, Mr. Prado and other aggrieved employees were required to purchase and cover repair costs for tools necessary to complete their job duties, including levelers, among other items. As such, Defendants failed to reimburse Mr. Prado and other aggrieved employees for all necessary business expenses associated with the purchase of necessary tools, in violation of Labor Code § 2802.

As a result of Defendants' failure to pay all minimum wages, overtime wages, and meal and rest period premium wages, Defendants also maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Prado and other aggrieved employees and failed to pay all final wages owed to Mr. Prado and other aggrieved employees upon their separation of employment.

As described above, Defendants committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 1 ("Wage Order 1"):

Overtime Wage Violations

Defendants were required to properly pay Mr. Prado and other aggrieved employees for all overtime hours worked pursuant to California Labor Code § 1194 and Wage Order 1. Wage Order 1, § 3 requires an employer to pay an employee "one and one-half (1½) times the employee's regular rate of pay" for work in excess of 8 hours per work

day and/or in excess of 40 hours of work in the workweek. Defendants caused Mr. Prado and other aggrieved employees to work overtime hours but did not compensate Mr. Prado or other aggrieved employees at one and one-half times their regular rate of pay for all such hours.

Minimum Wage Violations

Defendants failed to conform their pay practices to the requirements of the law. This unlawful conduct includes Defendants' failure to pay Mr. Prado and other aggrieved employees for all hours worked including, but not limited to, all hours they were subject to the control of Defendants and/or suffered or permitted to work under the California Labor Code and Wage Order 1. Wage Order 1, § 4 and California Labor Code §§ 1197 and 1182.12 establish the right of employees to be paid minimum wages for all hours worked, in amounts set by state law. California Labor Code § 1198 makes unlawful the employment of an employee under conditions that the Industrial Welfare Commission prohibits. California Labor Code §§ 1194(a) and 1194.2(a) provide that an employer who has failed to pay its employees the legal minimum wage is liable to pay those employees the unpaid balance of the unpaid wages as well as liquidated damages in an amount equal to the wages due and interest thereon.

Meal Period Violations

As alleged above, Defendants failed to provide Mr. Prado and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 1, § 11. As a result, Mr. Prado and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.").

Rest Period Violations

As described above, Defendants also failed to authorize and permit Mr. Prado and similarly aggrieved employees to take all required and compliant rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 1, § 12. As a result, Mr. Prado and similarly aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that all rest periods were not authorized and permitted. *See* Labor Code § 226.7.

Failure to Reimburse Necessary Business Expenses

Defendants failed to reimburse Mr. Prado and other aggrieved employees for their purchase of tools necessary to complete their job duties, including levelers, among other

items. Defendants' policy of not providing reimbursement for necessary work-related expenses violates Wage Order 1, § 9, and Labor Code §§ 2802 and 2804 ("An employer shall indemnify her or her employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer.") Mr. Prado and other aggrieved employees are therefore entitled to reimbursement of such unpaid work expenses with interest.

Sick Time Pay Violations

Defendants were required to properly pay Mr. Prado and other aggrieved employees for all vested sick time at their regular rate of compensation pursuant to Labor Code § 246. Defendants compensated Mr. Prado other aggrieved employees at their base rate of pay but did not compensate Mr. Prado or other aggrieved employees at their regular rate of pay for all such hours.

Wage Statement Violations

Defendants knowingly and intentionally, as a matter of uniform policy and practice, failed to furnish Mr. Prado and other aggrieved employees with complete and accurate wage statements with respect to gross wages earned, total hours worked, net wages earned, all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee, in violation of Labor Code § 226 *et seq.* Defendants' failures in furnishing Mr. Prado and other aggrieved employees with complete and accurate itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all overtime and minimum wages as well as meal and rest period premium wages and deprived them of the information necessary to identify the discrepancies in Defendants' reported data and whether they have been paid all wages earned.

Waiting Time Penalties

Defendants failed to timely pay Mr. Prado and other aggrieved employees all final wages due to them at the time of their separation which includes, among other things, unpaid overtime and minimum wages, meal and rest period premium wages, and underpaid sick pay wages. Further, Mr. Prado is informed and believes, and based thereon alleges, that as a matter of uniform policy and practice, Defendants continue to fail to pay other aggrieved employees all earned wages at the end of employment in a timely manner pursuant to the requirements of Labor Code §§ 201-203. Defendants' failure to pay all final wages was willful within the meaning of Labor Code § 203. Defendants' willful failure to timely pay Mr. Prado and other aggrieved employees their earned wages upon separation from employment results in a continued payment of wages up to thirty (30) days from the time the wages were due.

As an "aggrieved employee," Mr. Prado will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil

penalties (including an amount equal to the unpaid wages) resulting from the wage and hour violations alleged herein. Based on Mr. Prado's own investigation, and on information and belief, Defendants committed and continue to commit the following Labor Code violations:

- a. Defendants violated Labor Code §§ 204, 510, 558, 1194 and 1198 by failing to pay Mr. Prado and other aggrieved employees all overtime compensation earned;
- b. Defendants violated Labor Code §§ 1182.12, 1194, 1194.2, and 1197 by failing to pay Mr. Prado and other aggrieved employees the statutory minimum wage for all hours worked;
- c. Defendants violated Labor Code §§ 226.7, 512, and 558 by failing to provide all meal periods as required by law and failing to pay meal period premiums to Mr. Prado and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;
- d. Defendants violated Labor Code §§ 226.7, 516, and 558 by failing to authorize and permit Mr. Prado and other similarly aggrieved employees to take all of their statutorily mandated, duty-free rest periods and failing to pay rest period premiums to Mr. Prado and other aggrieved employees at these employees' respective regular rates of pay for rest period violations;
- e. Defendants violated Labor Code §§ 2802 and 2804 by failing to reimburse Mr. Prado and other aggrieved employees for all work-related expenses incurred;
- f. Defendants violated Labor Code § 246 by failing to pay Mr. Prado and other aggrieved employees sick time pay at their regular rate of compensation;
- g. Defendants violated Labor Code § 226 by failing to furnish Mr. Prado and other aggrieved employees with accurate and compliant itemized wage statements;
- h. Defendants violated Labor Code §§ 201- 203 by failing to timely pay all final wages due to Mr. Prado and other aggrieved employees;
- i. Defendants violated Labor Code § 204 by failing to pay Mr. Prado and other aggrieved employees all wages earned at least twice during each calendar month; and
- j. Defendants violated Labor Code §§ 558 and 1174 by failing to maintain accurate records on behalf of Mr. Prado and aggrieved employees.

LWDA
October 23, 2023
Page 7 of 7

Pursuant to Labor Code § 2699.3, please notify us and Defendants if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC

A handwritten signature in blue ink, appearing to read 'F. W. Schmidt', is positioned above the printed name.

Fletcher W. Schmidt

cc: Wilwood Engineering c/o Jill Domke, agent for service of process, 4700 Calle Bolero, Camarillo, CA 93012 (via certified mail)

PROOF OF ACCEPTANCE (ELECTRONIC)

PRODUCED DATE: 10/24/2023

HAINES LAW GROUP:

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

9214 8901 9403 8335 0882 56

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

SHIPMENT RECEIVED ACCEPTANCE PENDING EL SEGUNDO,CA 90245 10/23/2023

ORIGINAL INTENDED RECIPIENT:

WILWOOD ENGINEERING

C/O: JILL DOMKE AGENT FOR SERVICE OF PROCESS

4700 CALLE BOLERO

CAMARILLO CA 93012-8561

JR

From: noreply@salesforce.com on behalf of [LWDA DO NOT REPLY](#)
To: [Jonathan Ramirez](#)
Subject: Thank you for submission of your PAGA Case.
Date: Monday, October 23, 2023 7:42:19 PM

10/23/2023

LWDA Case No. LWDA-CM-989432-23
Law Firm : Haines Law Group, APC
Plaintiff Name : Eric Prado
Employer: Wilwood Engineering
Filing Fee : \$75.00
IFP Claimed : No

Item submitted: Initial PAGA Notice

Thank you for your submission to the Labor and Workforce Development Agency. Please make a note of the LWDA Case No. above as you may need this number for future reference when filing any subsequent documents for this Case.

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

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

EXHIBIT 4