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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SANTA CLARA

JEFFERSON RODRIGUEZ, individually, and on behalf of other members of the general public similarly situated and on behalf of other aggrieved employees pursuant to the California Private Attorneys General Act, Plaintiff, vs. STATEWIDE TRAFFIC SAFETY AND SIGNS, INC., a Delaware corporation now doing business as AWP SAFETY; TRAFFIC SOLUTIONS CORPORATION; and DOES 1 through 50, inclusive, Defendants.	Case No. 23CV428021 **CLASS ACTION** *[Assigned for all purposes to the Hon. Theodore C. Zayner, Dept. 19]* **DECLARATION OF TUVIA KOROBKIN IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT** Date: August 13, 2025 Time: 1:30 p.m. Dept.: 19 Action Filed: December 22, 2023 Trial Date: None Set

I, TUVIA KOROBKIN, declare as follows:

1. I am an attorney at Marquee Law Group, A Professional Corporation, attorneys of record (along with our co-counsel) for Plaintiffs Jefferson Rodriguez, Danielle Andrea Perez, and Jesse Knight ("Plaintiffs") and the proposed Settlement Class 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 2009 graduate of the UCLA School of Law. I was admitted to the California State Bar in December 2009 after passing the bar exam on my first attempt. Since that time, I have practiced almost exclusively in the area of employment litigation. From May 2010 to May 2014, I worked as an associate at the employment law firm of Eisenberg & Associates in Los Angeles. From May 2014 to January 2016, I worked as an associate at the employment law firm of Setareh Law Group in Beverly Hills. The vast majority of my work at both Eisenberg & Associates and Setareh Law Group focused on representing employees in wage and hour and wrongful termination actions, including wage and hour class actions. Although non-exhaustive, the types of work I performed at those firms included: conducting client intakes; performing pre-filing research and analysis; drafting complaints; attending court hearings; corresponding with opposing counsel; drafting and responding to written discovery; taking and defending depositions; analyzing payroll and timekeeping records and employee handbooks; drafting and opposing a variety of motions including motions for summary judgment, motions for remand, demurrers and motions to dismiss, motions to compel, motions to quash, and motions for class certification; drafting mediation briefs and attending mediations; drafting long-form settlement agreements; drafting motions for preliminary and final settlement approval; and overseeing the claims and/or opt-out processes. I also drafted appellate briefs for the California Court of Appeal and the Ninth Circuit Court of Appeals, and argued before the California Court of Appeal, all in connection with employment matters.

3. In February 2016 I joined Haines Law Group, APC (HLG) in El Segundo, California, as an associate attorney. In December 2019 I was promoted to Partner, a position I

held until I resigned from HLG in July 2022. While at HLG, I performed many of the same duties identified in the preceding paragraph, and I also managed junior and mid-level associates. During my tenure with HLG I handled over 100 wage and hour class actions and Private Attorneys General Act ("PAGA") actions, resulting in more than $100 million in total settlements on behalf of California workers.

4. In July 2022 I joined Abramson Labor Group (ALG) as Senior Counsel in the firm's Class Action Department, where I grew the Class Action Department to approximately 80 active wage and hour class and PAGA actions throughout California. In addition to managing the caseload and day-to-day operations of the Class Action Department, I supervised associate attorneys and performed many of the same duties described in the two prior paragraphs.

5. In March 2024 I joined Marquee Law Group as Senior Counsel and Chair of the Class Action Department. I currently manage and play an active role in approximately 55 active wage and hour class actions and PAGA actions throughout California, and perform many of the same job duties as I performed in my prior roles, in addition to supervising other attorneys' work on those cases.

6. The following is a non-exhaustive list of wage and hour class action settlements in which I was appointed as class counsel and that have received final approval: *Bellinghausen v. Tractor Supply Company,* Case No. 3:13-cv-02377-JSC, U.S. District Court, Northern District of California, Judge Jacqueline Scott Corley presiding (granted final approval of settlement on behalf of retail employees involving claims for failure to provide meal and rest periods, failure to pay overtime, and other claims); *Montgomery v. Del Monte Corp.,* et al, Case No. 13C0204, Kings County Superior Court, Judge James LaPorte presiding (granted final approval of settlement on behalf of manufacturing employees involving claims for failure to provide meal and rest periods, failure to pay overtime, and other claims); *Tesla Motors Wage and Hour Litigation,* JCCP 4792, Santa Clara County Superior Court, Judge Peter H. Kirwan presiding (granted final approval of settlement on behalf of automotive factory workers involving claims for failure to pay overtime, failure to provide meal and rest periods, and other claims); *Nable v. TransFirst, LLC*, Case No. 8:15-cv-00891-DOC-JCG, U.S. District Court, Central District of California, District Judge

David O. Carter presiding (granted final approval of settlement of hybrid nationwide FLSA/California Rule 23 class action involving claims for failure to pay overtime, failure to provide meal periods, off-the-clock work, and other claims); *Kostyuk, et al v. Golden State Overnight Delivery Service, Inc*., Case No. RG14727191, Alameda County Superior Court, Honorable Winifred Y. Smith presiding (granted final approval of settlement on behalf of courier drivers involving claims for failure to provide meal periods, failure to pay wages, and other claims); *Leverage, et al v. Traeger Pellet Grills, LLC*, *et al*, Case No. 4: 16-cv-00784-KAW, U.S. District Court for the Northern District of California, Judge Kandis A. Westmore presiding (granted final approval of settlement on behalf of grill demonstrators involving claims for independent contractor misclassification, unpaid minimum wages, unpaid overtime, failure to provide meal periods, failure to authorize and permit rest periods, unlawful deductions from wages, and other claims); *Rendon v. AEP Industries, Inc*, Case No. CIVDS1621981, San Bernardino County Superior Court, Judge David S. Cohn presiding (granted final approval of settlement on behalf of non-exempt employees involving claims for unpaid wages and overtime wages, meal and rest periods, and other claims); *Orozco v. CashCall, Inc*., Case No. 30-2017-00902026-CU-OE-CXC, Orange County Superior Court, Judge Glenda Sanders presiding (granted final approval of settlement on behalf of non-exempt employees involving claims for unpaid wages and overtime wages, meal and rest periods, and other claims); *Barrios v. Providence Hospitality Partners, LLC,* Case No. 56-2016-00484750-CU-OT-VTA, Ventura County Superior Court, Judge Vincent J. O'Neill presiding (granted final approval of settlement on behalf of non-exempt employees involving claims for unpaid wages and overtime wages, meal and rest periods, and other claims); *Rojas v. Shultz Steel Company*, Case No. BC635967, Los Angeles County Superior Court, Judge Kenneth R. Freeman presiding (granted final approval of settlement on behalf of non-exempt employees involving claims for unpaid wages and overtime wages, meal and rest periods, and other claims); *Gooding v. Vita-Mix Corp., et al*, Case No. 2:16-cv-03898-ODW, U.S. District Court for the Central District of California, Judge Otis D. Wright presiding (granted final approval of settlement on behalf of blender demonstrators involving claims for independent contractor misclassification, unpaid wages, failure to provide meal and rest periods, and other claims); *Salas v. Alsco, Inc. dba Steiner Corporation, et al*, Case No. 34-2019-00266950-CU-OE-GDS, Sacramento County Superior Court, Judge Christopher E. Kreuger presiding (granted final approval of settlement on behalf of linen distribution employees involving claims for failure to pay wages, meal and rest period violations, and other claims).

7. I have also moved to certify and have received an order certifying a class action in multiple cases, including *Ontiveros v. Safelite Fulfillment, Inc.,* Case No. CV 15-7118-DMG (RAOx), U.S. District Court, Central District of California, Honorable Dolly M. Gee presiding (certifying six classes of employees for claims including rest period violations, wage statement violations, meal period violations, and overtime and double-time violations); *Caudle, et al. v. Sprint/United Management Company, et al.* Case No. C 17-06874-WHA, U.S. District Court, Northern District of California, Honorable William H. Alsup presiding (certifying three classes of employees for unlawful wage deduction violations, wage statement violations, and waiting time violations); and *Perez, et al v. Sunbelt Rentals*, Case No. 37-2018-00026405-CU-OE-CTL, San Diego County Superior Court, Hon. Eddie C. Sturgeon (certifying wage statement class).

8. In 2018, 2019, 2020, 2021, 2022, 2023, 2024, and 2025, Thomson Reuters recognized me as a "Rising Star" in Southern California in the area of employment law in the annual Super Lawyers magazine. This is an honor awarded to no more than two-and-a-half percent (2.5%) of attorneys under the age of forty in Southern California each year.

9. As counsel for Plaintiffs and the Settlement Class, I have been intimately involved in every aspect of this case since I joined Marquee Law Group in March 2024 through the present. Based on my extensive experience litigating similar wage and hour class actions, I believe the proposed Settlement is fair, reasonable and adequate for the Settlement Class. A true and correct copy of the Settlement is attached hereto as **Exhibit 1**. Attached as **Exhibits A and B** to the Settlement are the Notice Packet, comprised of the Class Notice and Notice of Estimated Settlement Payment, respectively.

10. Statewide Traffic Safety and Signs, Inc. ("Statewide") is a full-service traffic control company that provides various traffic control services, including guiding traffic safely around construction sites, providing traffic safety signs, and other services. Traffic Solutions

Corporation ("TSC") (together with Statewide, "Defendants") is a sister company of Statewide that provides similar traffic solutions as Statewide. Plaintiffs are former non-exempt hourly employees of Defendants who worked for Defendants in California during the Class Period as defined in the Settlement. For example, Plaintiff Rodriguez worked for Defendants in California as an hourly traffic controller from approximately 2021 until approximately July 2023.

11. On December 22, 2023, Plaintiff Rodriguez, through my office, filed this Action, alleging claims for failure to pay wages, meal and rest period violations, waiting time penalties, wage statement penalties, failure to reimburse expenses, and unfair business practices. Plaintiff Rodriguez also alleged a claim for PAGA civil penalties after providing the required written notice to the Labor & Workforce Development Agency (LWDA) on October 10, 2023. A true and correct copy of Plaintiff Rodriguez's PAGA notice letter is attached hereto as **Exhibit 2**. A true and correct copy of the confirmation e-mail my office received from the LWDA is attached hereto as **Exhibit 3**.

12. On February 28, 2024, Plaintiff Perez filed a class action lawsuit against Defendants in Orange County Superior Court, alleging many of the same claims alleged by Plaintiff Rodriguez in this Action. That case was later removed to federal court. On August 1, 2024, Plaintiff Perez filed another action against Defendants in Orange County Superior Court, alleging a single cause of action under the PAGA based on the same alleged violations.

13. On June 23, 2025, and pursuant to a stipulation of the Parties, Plaintiffs filed the operative First Amended Complaint ("FAC") in this Action. The FAC added Plaintiff Perez and Plaintiff Knight as named plaintiffs, added TSC as a named defendant, and added an allegation that Defendants failed to provide one day's rest in seven. Prior to filing the FAC, Plaintiffs Perez and Knight provided an amended PAGA notice to the LWDA that added Plaintiff Knight and the day-of-rest claim. This amended PAGA notice is attached to the declaration of my co-counsel. Benjamin Haber of Wilshire Law Firm, filed concurrently herewith.

14. Plaintiffs allege that Defendants failed to pay Plaintiffs and other employees for all hours worked, including pre-shift work (such as waiting for drivers to show up to a worksite), post-shift work (such as answering calls from customers after hours), and work performed during

meal periods. Defendants contend that they have always paid employees for all hours worked, that their policies prohibit off-the-clock work, that they had no knowledge (nor could they have known) that employees worked off-the-clock, and that if employees did work off-the-clock, they could have reported such work and been paid by Defendants. Defendants further contend that the vast majority of putative class members were subject to a collective bargaining agreement with a mandatory arbitration provision, and that Plaintiffs' claims therefore would not be able to proceed on a class basis. Defendants further argue that differences among employees' job duties and working conditions, as well as issues with proving off-the-clock work on a classwide basis, would further preclude certification. Defendants argue that, to the extent the alleged unpaid wages were overtime, such overtime claims would be barred for the vast majority of putative class members because the collective bargaining agreement satisfies the requirements of Labor Code § 514, and therefore, the California overtime statute (i.e., Labor Code § 510) would not apply to them.

15. Plaintiffs next allege that they and other employees were frequently unable to take compliant meal periods, and therefore took late and/or short meal periods or missed meal periods altogether, as a result of the workload imposed on them and understaffing. Plaintiffs further allege that Defendants failed to provide second meal periods on shifts over 10 hours, as required under Labor Code § 512. Defendants argue that they have maintained legally-compliant meal period policies and practices throughout the Class Period (including the provision of second meal periods on shifts over 10 hours), and that under *Brinker* they are only required to "provide" the opportunity to take meal periods, not "ensure" they are taken. Defendants further argue that employees were permitted to take their meal periods at their own discretion, and thus any failure to take a timely, 30-minute meal period was the result of employee choice rather than any policy or practice of Defendants. As for second meal periods specifically, Defendants argue that a small minority (less than 25%) of employee shifts were over 10 hours, that an even smaller number (only about 6%) of employee shifts were over 12 hours, and that those who did not take a second meal period on shifts that were more than 10 but less than 12 hours waived their second meal period as they are entitled to do under Labor Code § 512. Defendants further argue that individualized inquiries would be required to determine whether individual employees – working

on many different shifts in various job positions and under varying circumstances, in different locations, and under different managers over a 4-year period – received a non-compliant meal period and/or did not take a second meal period on each individual shift, and why any meal period was late, short or missed, thereby precluding certification of this claim. Moreover, and as mentioned above, Defendants contend that this claim would not proceed on a class basis because the vast majority of employees would be required to arbitrate their claims pursuant to the collective bargaining agreement's arbitration provisions. Defendants also contend that Labor Code § 512 does not apply to the vast majority of putative class members because Defendants' employees work in the construction industry and are covered by a collective bargaining agreement that meet the requirements of Labor Code § 512(e), and thus Plaintiffs' meal period claims would fail.

16. Plaintiffs also allege that Defendants often failed to authorize and permit 10-minute rest periods to them and other employees due to the workload and understaffing mentioned above. Defendants assert they have always maintained compliant rest period policies and that, in practice, they have always authorized and permitted all required rest periods to non-exempt employees; that they inform employees of their right to rest periods; and that any failure to take a rest period is the result of employee choice rather than any practice of Defendants. Defendants further argue that, as with meal periods, this claim is not amenable to class treatment because individualized inquiries would be required to determine whether individual employees in different job positions, different locations, and under different managers and in different time periods, were in fact authorized and permitted to take rest periods on any given shift, thus precluding class certification. These manageability concerns are particularly present with respect to rest periods, Defendants contend, since rest periods are not recorded. Defendants further contend that the case could not be maintained on a classwide basis due to the arbitration provision in the relevant collective bargaining agreement. Defendants also contend that the vast majority of putative class members would be covered by Wage Order 16 (for the construction industry) and that the relevant collective bargaining agreement provides "equivalent protection" regarding rest periods, and thus the exception to the rest period laws found in Wage Order 16, § 11(E) would apply.

17. Plaintiffs further allege that Defendants failed to indemnify them and other employees for the use of their personal cell phones and personal vehicles for work purposes, including to communicate with supervisors and customers and to travel between job sites. Defendants counter that employees did not need to use their personal cell phones or personal vehicles in connection with their job duties, and that if they did, there are procedures in place for employees to request reimbursement of work-related expenses. Defendants also contend that employees are provided with any equipment necessary to perform their job duties. Defendants further argue that this claim would not be certified, as it would require hundreds of individualized inquiries as to whether employees incurred business-related expenses, whether they were reimbursed, whether Defendants knew (or reasonably should have known) about the expense, and whether the expense was "necessary" under the circumstances. Defendants further argue that, again, the arbitration provision in the relevant collective bargaining agreement would preclude class adjudication of this claim.

18. As a result of Defendants' alleged failure to pay all wages, as well as their failure to provide all meal and rest periods, Plaintiffs assert that Defendants failed to comply with their final payment and wage statement obligations, in violation of Cal. Labor Code §§ 203 and 226, respectively. Plaintiffs also seek civil penalties under the PAGA based on the aforementioned claims, as well as their claim that Defendants failed on some occasions to provide one day's rest in seven, in violation of Labor Code § 551 *et seq*.

19. Defendants argue that Plaintiffs' derivative claims fail for the same reasons their underlying claims fail. Defendants further assert they have strong, good-faith defenses to Plaintiffs' underlying claims, precluding imposition of waiting time penalties. Defendants further contend that employee wage statements always accurately reflect amounts paid to employees and therefore no wage statement violations occurred. As for the derivative PAGA claim, Defendants contend Plaintiffs' PAGA claim fails because the underlying claims fail. As for the day-of-rest claim, Defendants argue that this affected a very small number of shifts, and that if any employees worked 7 days in a workweek it was the result of an anomaly or the employee's own request and/or consent. Defendants further maintain that given their good-faith defenses, the Court would

substantially reduce PAGA civil penalties even if it were to find in Plaintiffs' favor on some or all of their claims.

20. The Parties in this case engaged in extensive informal discovery. In connection with mediation, Defendants produced a sampling of timekeeping and payroll records for putative class members during the Class Period; their wage and hour policies; the number of class members, workweeks, PAGA pay periods, and other data points; the applicable collective bargaining agreement; and other relevant information. My co-counsel at Wilshire Law Firm retained an expert data analyst to analyze and extrapolate the data produced by Defendants. This discovery allowed the Parties to assess the merits and value of Plaintiffs' claims and Defendants' defenses, as well as the chances for class certification.

21. The Parties attended a full-day mediation with Steve Cerveris, an experienced wage and hour class action mediator, on November 12, 2024, during which they vigorously debated Plaintiffs' claims and Defendants' defenses, and the chances of certification. The Parties did not reach resolution at mediation. For more than two months the Parties continued their negotiations, which included my office and my co-counsel providing a supplemental brief to Mr. Cerveris regarding some of the issues where the Parties strongly disagreed. Eventually, Mr. Cerveris made a Mediator's Proposal, which was accepted by the Parties in February 2025. Over the following months, and the Parties negotiated the finer terms of the settlement, ultimately resulting in the Settlement.

22. The monetary terms of the Settlement are summarized below:

Gross Settlement Amount ("GSA"):	$3,250,000.00
Minus Court-approved attorneys' fees (one-third):	$1,083,333.33
Minus Court-approved costs (up to):	$50,000.00
Minus Court-approved Service Awards:	$30,000.00
Minus Amount Set Aside as PAGA penalties:	$250,000.00
Minus estimated settlement administration costs:	$20,000.00
Net Settlement Amount ("NSA"):	**$1,816,666.67**
PLUS 25% of PAGA penalties ("PAGA Members' Payment"):	$62,500.00
Total Amount Paid to Settlement Class:	**$1,879,166.67**

23. The Settlement provides for Defendants to pay a Gross Settlement Amount ("GSA") of $3,250,000.00. After deducting amounts for attorney fees, litigation costs, Plaintiffs' service awards, PAGA penalties to the LWDA, and administration costs, the Settlement provides

for distribution of approximately $1,879,166.67 to be paid to the Settlement Class. Defendants represent that there are approximately 1,131 Settlement Class members. Thus, the average payment to Settlement Class members is estimated to be $1,661.51. The settlement is non-reversionary, and it does not require Settlement Class members to submit a claim to receive financial benefit from the Settlement.

24. While Plaintiffs are confident in the merits of their claims, Plaintiffs acknowledge there were substantial risks and uncertainty in proceeding with class certification and eventual trial on the merits. Defendants presented multiple defenses to Plaintiffs' claims, both on the merits and to class certification, rendering success far from certain.

25. With respect to Plaintiffs' claim for failure to pay wages, Plaintiffs estimated 1.5 hour per workweek of off-the-clock work, based on their own experience and observation of other employees. As noted in the Settlement, Defendants represent that Settlement Class members worked approximately 81,218 workweeks during the Class Period. During the Class Period, the average California minimum wage was approximately $14.70 per hour.[1] Using that hourly rate and an equal amount in liquidated damages per Labor Code § 1194.2, Plaintiffs calculated an estimated exposure of: 81,218 workweeks * 1.5 hrs/wk * $14.70 * 2 = $3,581,714. Defendants presented several defenses to this claim, including but not limited to: that Defendants' policies prohibit off-the-clock work; that Defendants had no knowledge of off-the-clock work; that the arbitration provision of the relevant CBA would preclude class certification; and that differences among employees and difficulties of proof would further preclude certification. In light of these defenses, Plaintiffs discounted this claim by 55% for risk of class certification, and an additional 50% for risk of losing on the merits or failing to recover the full amount sought, for a realistic exposure of $805,886.

26. As for Plaintiffs' meal period claim, Plaintiffs' expert's analysis and extrapolation of the timekeeping records revealed approximately 109,228 potential meal period violations

[1] Because the vast majority of Settlement Class members were union members, Plaintiffs assumed that this claim was more likely to prevail on a minimum wage theory in light of Defendants' argument that the relevant CBA complies with Labor Code § 514 and is therefore exempt from Labor Code § 510.

during the Class Period for which a meal period premium was not paid. Our expert's analysis further revealed that Settlement Class members' average rate of pay was approximately $29. Thus, Plaintiff calculated Defendants' potential meal period exposure as: 109,228 * $29 = $3,167,612. However, and as noted above, Defendants asserted several affirmative defenses, including that employees were always *provided* meal periods; that employees took meal periods at their own discretion and therefore any late or short meal periods were the result of employee choice; potential issues with class certification given differences in locations, supervisors, job duties, and other circumstances surrounding each shift worked by each individual employee; as well as the defenses to class certification and on the merits based on the relevant collective bargaining agreement. In light of these defenses, Plaintiffs discounted this claim by 45% for risk of class certification, and an additional 55% for risk of losing on the merits or failure to recover the full amount sought, for a realistic exposure of $783,984 on the meal period claim.

27. With respect to the rest period claim, Plaintiffs assumed the same violation rate for rest periods as our expert observed in the time records for meal periods. Thus, Plaintiffs assumed approximately 124,237 shifts of over 3.5 hours with potential rest period violations. Plaintiffs calculated Defendants' potential rest period exposure as: 124,237 * $29 = $3,602,873. But as noted above, Defendants presented several defenses to this claim, including their assertion that they are only required to *authorize and permit* rest periods, not ensure they are taken; that they have always maintained lawful rest period policies and authorized and permitted rest periods in accordance with those policies; that rest periods are not recorded and therefore present difficulties with respect to class certification; that differences in the job duties, supervisors, locations, and other specific circumstances with respect to each individual shift worked by each employee, would render class certification even less likely; and multiple defenses (both on the merits and as to class certification) based on the collective bargaining agreement. In light of these defenses, Plaintiff discounted this claim by 60% for risk of non-certification, and an additional 65% for risk of losing on the merits or failure to recover the full amount sought, to arrive at a realistic exposure of $504,402 on the rest period claim.

28. As for Plaintiffs' reimbursement claim, Plaintiffs estimated approximately $25 per month in unreimbursed expenses for employees' use of their personal cell phones and/or vehicles for work purposes. Our analysis of the data produced by Defendants revealed approximately 20,300 months worked by Settlement Class members during the Class Period. Thus, Plaintiffs estimated Defendants' potential exposure on the reimbursement claim as: $25 * 20,300 = $507,500. As noted above, Defendants presented several defenses to this claim, including that employees did not need to use their personal phones or personal vehicles, as Defendants provided any necessary tools needed for the job; that Defendants were not aware of any expenses incurred; and that certification would not be appropriate since individualized inquiries would be necessary to determine, for each employee, whether they incurred an expense, whether it was reimbursed, and whether any unreimbursed expense was reasonable under the employee's individual circumstances. In light of these defenses, Plaintiff discounted this claim by 40% for risk of non-certification, and an additional 50% for risk of losing on the merits or failing to recover the full amount sought, for a realistic exposure of $152,250 on the reimbursement claim.

29. Based on the above Labor Code violations, Plaintiffs allege that Defendants failed to issue accurate itemized wage statements pursuant to Labor Code § 226. Based on a review of the payroll and other records produced by Defendants, our expert calculated approximately 33,043 pay periods worked by Settlement Class members within the one-year liability period applicable to Section 226. In calculating Defendants' exposure, Plaintiffs assumed they could recover the "initial" $50 penalty under Labor Code § 226(e) for each violation, for a total of $1,652,150 in potential exposure. *See Amaral v. Cintas Corp. No. 2*, 163 Cal.App.4th 1157, 1207 (2008) (finding "initial" violation rate applies until employer has been notified it violated Labor Code); *Patel v. Nike Retail Svcs., Inc.*, 58 F.Supp.3d 1032, 1042-43 (N.D. Cal. 2014) (citing *Amaral* and applying "initial" $50 penalty to all pay periods in calculating amount-in-controversy for wage statement claim). However, and as explained above, Defendants presented multiple defenses to this claim, including but not limited to: the defenses to Plaintiffs' underlying claims; the fact that wage statements always accurately reported what employees were *paid*, which

Defendants contend is the purpose of Section 226; and that individualized issues entailed in analyzing each wage statement for each pay period for each employee to determine whether a violation occurred. In light of these defenses, Plaintiff discounted the claim by 45% for risk of non-certification, and an additional 60% for risk of losing on the merits or failure to recover the full amount sought, for a realistic exposure of $363,473 on the wage statement claim.

30. Plaintiffs further alleges that Defendants are liable for waiting time penalties based on their failure to pay wages to former employees. Based on the data provided by Defendants, there are approximately 647 employees who separated their employment with Defendants since December 22, 2020 (i.e., three years prior to the filing of the Action), and those employees had an average hourly rate of approximately $27 per hour. Plaintiffs estimated an average waiting time penalty of $6,480 ($27 * 8 hrs * 30 days), for a maximum waiting time penalty exposure of $4,192,560 (647 * $6,480). Defendants, however, assert they have strong, good-faith defenses to Plaintiffs' underlying claims, and any failure to pay wages was therefore not "willful" as a matter of law. Moreover, because the waiting time claim is derivative of Plaintiffs' underlying wage claims, Plaintiffs would need to overcome Defendants' defenses, both as to class certification and on the merits, to their underlying claims in order to recover waiting time penalties. Based on these defenses, Plaintiffs discounted Defendants' maximum exposure by 45% for risk of non-certification and by an additional 70% for risk of being unsuccessful on the merits or failing to recover the full amount sought, to arrive at a realistic exposure of $691,772.

31. Plaintiffs also allege that Defendants are liable for PAGA civil penalties as a result of the above violations, as well as Defendants' alleged failure to provide one day's rest in seven. Plaintiffs estimated a maximum PAGA exposure of $3,304,300, based on the $100 "initial" violation rate under Lab. Code § 2699(f) for each of the 33,043 pay periods worked during the applicable one-year statutory period. However, these penalties largely derive from Plaintiffs' underlying claims, each of which Defendants vigorously dispute (as described above). Defendants also dispute the day-of-rest claim, and argue that any such claim only affected a very small number of pay periods and was the result of a scheduling anomaly and/or employee choice. In addition, Defendants argue that even if Plaintiffs were to prevail on some of their claims, they

could not show a violation in every pay period. For example, Defendants assert, Plaintiffs would not be able to show a meal or rest period violation for every employee in every pay period in the PAGA period. Defendants further argue that the PAGA grants trial courts discretion to reduce PAGA civil penalties (Lab. Code § 2699(e)(2)), and that the Court would reduce penalties significantly given Defendants' strong defenses and its good-faith efforts to comply with the law. Thus, Plaintiffs discounted the maximum figure by 55% for risk of losing on the merits and/or not recovering a PAGA penalty for every pay period, and by an additional 60% for risk of the Court reducing penalties, to arrive at an estimated exposure of $594,774.

32. Using these estimated figures, Plaintiffs estimated the realistic total classwide recovery on their claims would be approximately $3,896,541 if they had proceeded through class certification and trial on the merits. The proposed settlement of $3,250,000 therefore represents over 83% of Plaintiffs' reasonably forecasted recovery.

33. At final approval, Plaintiffs' counsel will request attorneys' fees of one-third of the GSA (currently estimated at $1,083,333.33), and up to $50,000 in litigation costs. My office has incurred substantial attorneys' fees in, among other things, conducting pre-filing investigation and legal research; preparing and filing the initial pleadings; drafting and serving initial written discovery; preparing for and attending the mediation session; negotiating and preparing the Settlement; preparing this Motion; and otherwise prosecuting this case. I anticipate that my office, along with our co-counsel, will incur significant future attorneys' fees in overseeing the Notice process, fielding phone calls from Settlement Class members, preparing the Final Approval Motion and supporting documents, and appearing at the Final Approval Hearing. In addition, based on my experience in similar wage and hour class and PAGA actions in California courts, fee awards in matters such as this one generally equal about one-third of the gross recovery.

34. Plaintiffs will each request an incentive payment of $10,000 at final approval. As will be fully briefed at final approval, Plaintiffs' requested incentive payments are in recognition of the time and effort they expended on behalf of the Settlement Class, including providing factual information and documents to my office and my co-counsel, identifying potential witnesses, attending multiple telephonic meetings with counsel to discuss the claims and theories at issue in

the litigation, reviewing the settlement agreement and other documents related to this case, and otherwise actively participating in the litigation.

35. Although the parties engaged in significant informal discovery, they had not completed formal written and deposition discovery, which would have required expenditure of substantial time and resources. Plaintiffs also still had to file for class certification. Even if Plaintiffs obtained certification, the parties would incur considerable attorneys' fees and costs through a possible decertification motion, motions for summary judgment, trial, and potential appeals. The proposed settlement avoids these risks, expense, and delays, and is therefore a favorable outcome for the Settlement Class.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on July 10, 2025 at Beverly Hills, California.

Tuvia Korobkin

EXHIBIT 1

CLASS AND PAGA REPRESENTATIVE ACTION SETTLEMENT AND RELEASE AGREEMENT

This Class and PAGA Representative Action Settlement and Release Agreement ("Agreement" or "Settlement") states the terms of the class action and Private Attorneys General Act ("PAGA") settlement of the Actions (defined below) reached by and between Plaintiffs Jefferson Rodriguez, Danielle Andrea Perez, and Jesse Knight ("Plaintiffs"), individually and on behalf of all members of the Settlement Class (defined below), on the one hand, and Defendants Statewide Traffic Safety and Signs, Inc. now doing business as AWP Safety ("Statewide") and Traffic Solutions Corporation ("TSC", collectively with Statewide referred to herein as "Defendants")) on the other hand, and is contingent upon approval by the Court. Once approved by the Court, the Settlement shall be binding under the terms stated herein on Plaintiffs, Defendants, and the Settlement Class.

Plaintiffs filed three class and representative actions against Defendants, as follows:

- *Jefferson Rodriguez, et al v. Statewide Traffic Safety and Signs, Inc., et al*, Santa Clara County Superior Court Case No. 23CV428021
- *Danielle Andrea Perez v. Statewide Traffic Safety Signs, Inc., et al*, U.S. District Court for the Central District of California, Case No. 8:24-cv-01042-JWH-KES (originally filed in Orange County Superior Court, Case No. 30-2024-01382264-CU-OE-CXC)
- *Danielle Andrea Perez v. Statewide Traffic Safety Signs, Inc., et al*, Orange County Superior Court Case No. 30-2022-01416760-CU-OE-CXC

These actions will be collectively referred to as the "Actions" or the "Litigation."

The Actions allege class and representative claims against Defendants for: (i) failure to timely pay earned wages; (ii) failure to pay minimum and straight time wages; (iii) failure to pay overtime wages; (iv) failure to provide meal periods; (v) failure to authorize and permit rest periods; (vi) failure to timely pay final wages; (vii) failure to provide accurate itemized wage statements; (viii) failure to indemnify employee business expenses; (ix) unfair competition; and (x) civil penalties under the Labor Code Private Attorneys General Act ("PAGA"), Labor Code § 2698 *et seq.*

Given the uncertainty of litigation, the Parties wish to settle Plaintiffs' claims on a classwide and representative basis in accordance with the terms herein below.

DEFINITIONS

The following definitions are applicable to this Settlement, in addition to other terms defined elsewhere in this Settlement.

1. "Attorneys' Costs" means reasonable attorneys' costs approved by the Court for Class Counsel's litigation and resolution of the Actions incurred and to be incurred by Class Counsel in the Actions up to, but not to exceed, Fifty Thousand Dollars ($50,000.00). Attorneys' Costs shall be paid to Class Counsel. The Attorneys' Costs shall only be paid from the Gross Settlement Amount.

2. "Attorneys' Fees" means the attorneys' fees agreed upon by the Parties herein and approved by the Court for Class Counsel's litigation and resolution of the Action up to, but not to exceed, one-third (1/3) of the Gross Settlement Amount, estimated to be One Million Eighty-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents ($1,083,333.33). Attorneys' Fees shall only be paid to Class Counsel from the Gross Settlement Amount.

3. “Class” and “Settlement Class” for purposes of this Settlement shall be defined as: All current and former non-exempt hourly employees employed by Defendants in California at any time during the Class Period.

4. “Class Counsel” shall mean F. Shawn Azizollahi, Tuvia Korobkin, Poya Ghasri, Gary S. Brotman, and Nancy Goodes of Marquee Law Group APC and Benjamin H. Haber and Daniel J. Kramer of Wilshire Law Firm, PLC.

5. “Class Period” shall mean the time period from December 22, 2019 through January 11, 2025.

6. “Class Representative Service Award” shall mean an award up to, but not to exceed, Ten Thousand Dollars ($10,000.00) each to Plaintiffs Jefferson Rodriguez, Danielle Andrea Perez, and Jesse Knight (for a total of up to $30,000.00) in recognition of their efforts and work in prosecuting the Action on behalf of Class Members and PAGA Members, risks undertaken for the payment of costs in the event of loss, and the giving of a general release of all claims. The Class Representative Service Awards shall be paid from the Gross Settlement Amount.

7. “The Court” shall mean the Santa Clara County Superior Court, Hon. Theodore C. Zayner, or such other Santa Clara County Superior Court Judge as may be assigned to hear this matter.

8. “Defendants” shall mean Statewide Traffic Safety and Signs, Inc., now doing business as AWP Safety, and Traffic Solutions Corporation.

9. “Defense Counsel” shall mean Annureet K. Bezwada, and Aaron M. Bausch of Littler Mendelson, P.C.

10. “Effective Date” shall be sixty-five (65) calendar days from the date of service of a Notice of entry of an Order Granting Final Approval of the Settlement and Entering Judgment described below. However, if an appeal is filed within sixty (60) days of service of Notice of an Order Granting Final Approval of the Settlement and Entering Judgment, then the Effective Date shall be the latest of: (i) the date of final affirmance of the Order Granting Final Approval and Entering Judgment; (ii) the date of final dismissal of any appeal from the Order Granting Final Approval of the Settlement and Entering Judgment or the final dismissal of any proceeding to review the Order Granting Final Approval and Entering Judgment that has the effect of confirming the Order Granting Final Approval and Entering Judgment with no avenue for additional appeal or review available.

11. “Employer Taxes” means Defendants’ share of employer-side payroll taxes to be paid on that portion of the Class Member’s Individual Settlement Payment characterized as wages, i.e. FICA, FUTA, payroll taxes, and/or any similar tax or charge. The Employer Taxes will be paid outside of and in addition to the Gross Settlement Amount.

12. “Gross Settlement Amount” (or “GSA”) shall mean the maximum non-reversionary amount of Three Million Two Hundred Fifty Thousand Dollars and Zero Cents ($3,250,000.00) (subject to the Escalator Clause below) payable by Defendants as provided for by this Agreement. Employer Taxes are excluded from the GSA and shall be paid separately therefrom, as specified in this Agreement.

13. “Individual Settlement Payment” means the amount each Settlement Class member shall be entitled to receive pursuant to the Settlement. This payment will include compensation pursuant to the terms of this Agreement for all Workweeks worked during the Class Period by Participating Class Members and the number of Pay Periods worked during the PAGA Period by PAGA Member(s). Class Members who opt-out of the non-PAGA portion of the Settlement shall only receive payment based on their pro rata number of Pay Periods worked during the PAGA Period, if any.

14. "LWDA Payment" means the seventy-five percent (75%) portion of the PAGA Penalties to be paid to the California Labor and Workforce Development Agency ("LWDA") pursuant to the PAGA.

15. "Net Settlement Amount" shall mean the Gross Settlement Amount less (a) the Class Representative Service Awards, (b) Settlement Administration Costs, (c) Attorneys' Fees, (d) Attorneys' Costs, and (e) the PAGA Penalties.

16. "Notice Packet" shall mean the Notice of Proposed Class Action Settlement substantially in the form attached as **Exhibit A**.

17. "PAGA" shall mean the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq*.

18. "PAGA Member(s)" means those Settlement Class members who worked for Defendants in California at any time during the PAGA Period.

19. "PAGA Members Payment" means the twenty-five percent (25%) portion of the PAGA Penalties to be paid to PAGA Members pursuant to the PAGA.

20. "PAGA Pay Period(s)" means any pay period in which a PAGA Member worked at least one day in that pay period for Defendants in California as a non-exempt hourly employee, during the PAGA Period.

21. "PAGA Penalties" means civil penalties under the PAGA agreed upon by the Parties and approved by the Court. The Parties have agreed to allocate Two Hundred Fifty Thousand Dollars ($250,000.00) of the Gross Settlement Amount as PAGA Penalties, seventy-five percent (75%) of which will be paid to the California Labor and Workforce Development Agency ("LWDA Payment"), and the remaining twenty-five percent (25%) ("PAGA Members Payment") shall be distributed proportionately to PAGA Members as described below.

22. "PAGA Period" shall mean the time period from October 10, 2022, through the end of the Class Period.

23. "Participating Class Member(s)" means any Class Member who does not return a valid and timely request to be excluded from the non-PAGA portion of the Settlement. All Participating Class Members will be mailed their Individual Settlement Payment without the need to return a claim form.

24. "Plaintiffs" and "Class Representatives" shall mean Plaintiffs Jefferson Rodriguez, Danielle Andrea Perez, and Jesse Knight.

25. "Released Class Claims" means any and all claims, debts, rights, demands, obligations or liabilities of every nature and description, for damages, premiums, penalties, liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief against the Released Parties, arising during the Class Period and alleged in the operative Complaint (as defined below in Paragraph 39), or which could have been alleged based on the facts pled in the operative Complaint, including without limitation claims relating to: (a) any alleged failure by Defendants (1) to pay minimum or straight time wages, (2) to pay overtime wages, (3) to provide meal periods or pay meal period premium wages, (4) to authorize and permit rest periods or pay rest period premium wages, (5) to issue compliant wage statements, (6) to timely pay wages during employment or at the end of employment, or (7) to reimburse work-related expenses; (b) any right or claim for unfair business practices in violation of California Business & Professions Code sections 17200, *et seq.*, based on the alleged failures set forth in (a)(1) through (a)(7) above; and (c) any violation of the California Labor Code arising from or related to the conduct alleged in (a)(1) through (a)(7) above, including, without limitation, violation of California Labor

Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802 and 2804, or any other applicable state statute, rule and/or regulation, based on Participating Class Members' employment with Defendants in California during the Class Period. "Released Class Claims" includes all types of relief available for the above-referenced claims, including any claims for damages, restitution, losses, premiums, penalties, fines, liens attorneys' fees, costs, expenses, debts, interest, injunctive relief, declaratory relief, or liquidated damages, whether under federal law, California law or any state or local law or common law, the California Industrial Welfare Commission Wage Orders, and any other applicable regulations.

26. "Released PAGA Claims" means all PAGA claims against the Released Parties arising from PAGA Members' employment with Defendants during the PAGA Period and alleged in Plaintiffs' letters and amended letters to the LWDA filed on behalf of any named Plaintiffs in this action, including Plaintiffs Jefferson Rodriguez, Danielle Andrea Perez, and Jesse Knight, or which could have been alleged based on the facts pled in Plaintiffs' letters or amended letters to the LWDA, including without limitation PAGA claims relating to: (i) the alleged failure to timely pay earned wages; (ii) the alleged failure to pay minimum and straight time wages; (iii) the alleged failure to pay overtime wages; (iv) the alleged failure to provide meal periods; (v) the alleged failure to authorize and permit rest periods; (vi) the alleged failure to timely pay final wages; (vii) the alleged failure to provide accurate itemized wage statements; (viii) the alleged failure to indemnify employee business expenses; (ix) the alleged unfair competition; (x) the alleged failure to provide a day of rest; and (xii) any other PAGA claims premised on the aforementioned allegations.

27. "Released Parties" means Statewide and TSC and each of their past, present, and future parents, subsidiaries, sister companies, affiliates, predecessors, members and divisions, including but not limited to Area Wide Protective, Inc., AWP Safety, and Statewide Safety Systems, and their respective past, present, and future officers, directors, employees, partners, shareholders, owners, agents, insurers, former employees, servants, independent contractors, volunteers, legal representatives, attorneys and all of their successors (including persons or entities who may acquire them in the future), assigns, representatives, heirs, executors, and administrators and all other persons acting by, through, under or in concert with them that could be liable for the Released Claims.

28. "Response Deadline" means the deadline by which Settlement Class Members must postmark and return to the Administrator signed, dated, and timely requests for exclusion from the non-PAGA portion of the Settlement, objections to the Settlement and/or disputes concerning the number of Workweeks worked during the Class Period and/or number of Pay Periods worked during the PAGA Period. The Response Deadline will be sixty (60) calendar days from the initial mailing of the Notice Packets by the Settlement Administrator, unless the 60th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. If a Class Member is re-mailed a Notice Packet, then the Response Deadline for that Class Member will be fifteen (15) calendar days after the Notice Packet is re-mailed (which, if the 15th day falls on a Sunday or holiday, will be extended to the next day the U.S. Postal Service is open), or the original Response Deadline, whichever is later. The Response Deadline may also be extended by express agreement between Class Counsel and Defendants.

29. "Settlement" or "Agreement" or "Settlement Agreement" shall mean this Class and PAGA Representative Action Settlement and Release Agreement.

30. "Settlement Administration Costs" means the costs allocated from the Gross Settlement Amount to pay for administration of the settlement, as described in this Agreement, including required tax calculations and tax reporting to the appropriate governmental entities in connection with the Individual Settlement Payments (as defined below), issuing of 1099 and W-2 IRS Forms, address updates through the National

Change of Address database (prior to the mailing of the Notice Packets), distributing Notice Packets, skip-tracing Notice Packets returned as undeliverable, calculating and distributing the Individual Settlement Payments, weekly status reports, resolving disputed claims with the aid of the Parties' counsel, and providing all reports and declarations deemed necessary by the Parties in an amount not to exceed $20,000.00.

31. "Settlement Administrator" means Phoenix Settlement Administrators ("Phoenix"), or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for the purposes of administering this Settlement.

32. "Workweek" means any week in which a Class Member worked at least one day in that week for Defendants in California as a non-exempt hourly employee during the Class Period.

RECITALS

33. On October 10, 2023, Plaintiff Jefferson Rodriguez submitted a letter to the California Labor and Workforce Development Agency ("LWDA") notifying the LWDA of his intent to seek civil penalties from Statewide for alleged wage and hour violations, including for: (i) the alleged failure to pay for all hours worked, (ii) the alleged failure to pay overtime wages, (iii) the alleged failure to provide meal periods or pay meal period premiums at the regular rate of pay, (iv) the alleged failure to provide rest periods or pay rest period premiums at the regular rate of pay, (v) the alleged failure to indemnify for necessary business expenses, (vi) the alleged failure to timely pay all wages owed at termination of employment, and (vii) the alleged failure to provide complete and accurate wage statements, LWDA Case No. LWDA-CM-986940-23.

34. On March 27, 2024, Plaintiff Danielle Andrea Perez submitted a letter to the LWDA notifying the LWDA of her intent to seek civil penalties from Defendants for alleged wage and hour violations, including for: (i) the alleged failure to pay for all hours worked, (ii) the alleged failure to pay minimum wages, (iii) the alleged failure to pay overtime wages, (iv) the alleged failure to provide meal periods or pay meal period premiums at the regular rate of pay, (v) the alleged failure to provide rest periods or pay rest period premiums at the regular rate of pay, (vii) the alleged failure to indemnify for necessary business expenses, (viii) the alleged failure to timely pay all wages owed at termination of employment, and (ix) the alleged failure to provide complete and accurate wage statements, LWDA Case No. LWDA-CM-1018991-24. Plaintiff Perez later submitted an amended PAGA Letter to the LWDA alleging day-of-rest violations by Defendants, and which also named Jesse Knight as a representative aggrieved employee.

35. On December 22, 2023, Plaintiff Jefferson Rodriguez, filed a wage and hour class and representative action lawsuit against Statewide alleging class claims for: (i) the alleged failure to pay for all hours worked, (ii) the alleged failure to pay minimum wages, (iii) the alleged failure to pay overtime wages, (iv) the alleged failure to provide meal periods or pay meal period premiums at the regular rate of pay, (v) the alleged failure to provide rest periods or pay rest period premiums at the regular rate of pay, (vi) the alleged failure to provide complete and accurate wage statements, (vii) the alleged failure to timely pay all wages owed at termination of employment, (viii) the alleged failure to indemnify for necessary business expenses, (ix) alleged PAGA penalties, and (x) violations of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200-17210), in the Superior Court for the County of Santa Clara, Case No.: 23CV428021 ("*Rodriguez* Action").

36. On February 28, 2024, Plaintiff Danielle Andrea Perez, filed a representative wage and hour class action lawsuit against Defendants alleging class claims for: (i) the alleged failure to pay for all hours worked, including the alleged failure to pay minimum wages, (ii) the alleged failure to pay overtime wages, (iii) the alleged failure to provide meal periods or pay meal period premiums at the regular rate of pay, (iv) the

alleged failure to provide rest periods or pay rest period premiums at the regular rate of pay, (v) the alleged failure to timely pay all wages owed at termination of employment, (vi) the alleged failure to provide complete and accurate wage statements, (vii) the alleged failure to indemnify for necessary business expenses, and (viii) violations of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200-17210), in the Superior Court for the County of Orange, Case No.: 30-2024-01382264-CU-OE-CXC. Defendants removed Plaintiff Danielle Andrea Perez's class action lawsuit to the United Stated District Court for the Central District of California, Case No.: 8:24-cv-01042-JWH-KES.

37. On August 1, 2024, Plaintiff Danielle Andrea Perez, filed a single cause of action against Defendants pursuant to PAGA and seeking PAGA penalties thereunder in the Superior Court for the County of Orange, Case No. 30-2022-01416760-CU-OE-CXC.

38. The Parties agreed to participate in mediation and on November 12, 2024, and following exchange and extensive review of relevant documents and class data, the Parties participated in a full-day mediation through Ceveris Mediation with Steve Ceveris, a highly respected mediator with extensive experience in California Wage and Hour matters. Although the Parties did not reach a resolution at the mediation, with the assistance of the mediator the Parties eventually were able to reach a settlement to settle all class and PAGA claims in this Action.

39. On June 23, 2025, Plaintiff Jefferson Rodriguez filed a first amended complaint (the "Complaint") to add Danielle Andrea Perez and Jesse Knight as Plaintiffs in the *Rodriguez* Action, to add any claims alleged in the *Perez* actions that were not previously alleged in the *Rodriguez* Action, and to add TSC as a Defendant.

40. Defendants have, at all times, denied Plaintiffs' claims and continue to maintain this position. Nonetheless, Defendants have concluded that further litigation will be protracted and expensive and would divert management time. Defendants have taken into account the uncertainty and risks inherent in litigation and have, therefore, concluded that it is desirable that the Released Claims be settled in the manner and upon the terms and conditions set forth in this Agreement.

41. The Parties expressly acknowledge that nothing in this Agreement, nor the fact of the Agreement itself, shall be construed or deemed an admission of liability, culpability, negligence, or wrongdoing of any kind by Defendants, nor shall it constitute and admission on behalf of Defendants of any fact or allegation against it.

42. The Parties agree to cooperate and take all steps necessary and appropriate to consummate this settlement in accordance with the terms of this Agreement.

RELEASE OF CLAIMS

43. **Settlement Class.** For purposes of this Settlement only, Plaintiffs and Defendants stipulate to the certification of the Settlement Class for the Class Period. Defendants represent that there are approximately 1,131 Settlement Class members. The Parties agree that certification for purpose of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure in a non-settlement context. If for any reason this Settlement is not approved or is terminated, this conditional agreement to class certification will be inadmissible and shall have no effect in this or any other proceeding as evidence that either: (i) a class action should be certified or (ii) Defendants are liable to Plaintiffs or any Settlement Class member, and the Parties shall revert to the respective positions they held prior to entering into this Settlement.

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44. **Release by Settlement Class**. Upon (i) the Effective Date occurring and (ii) the Gross Settlement Amount being fully funded by Defendants, Plaintiffs and every Participating Class Members (on behalf of each of them and each of their heirs, executors, administrators, and assigns) shall irrevocably and unconditionally fully release and forever discharge the Released Parties from any and all Released Class Claims that accrued during the Class Period as set forth herein.

45. **PAGA Release.** Upon (i) the Effective Date occurring and (ii) the Gross Settlement Amount being fully funded by Defendants, the State of California, Plaintiffs and all PAGA Members (on behalf of each of them and each of their heirs, executors, administrators, and assigns), shall irrevocably and unconditionally fully release and forever discharge the Released Parties from any and all PAGA Released Claims that accrued during the PAGA Period as set forth herein. Pursuant to *Robinson v. Southern Counties Oil Co.*, 53 Cal.App.5th 476 (2020), PAGA Members who worked for Defendants in California during the PAGA Period shall be bound by the PAGA portion of the Settlement and may not opt out of the PAGA portion of the Settlement.

46. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

47. Release by Plaintiffs. Upon (i) the Effective Date occurring and (ii) the Gross Settlement Amount being fully funded by Defendants, and in exchange for their Class Representative Service Awards, Plaintiffs Jefferson Rodriguez, Danielle Andrea Perez, and Jesse Knight (on each of their own behalf and on behalf of their heirs, executors, administrators, and assigns), but not on behalf of other Settlement Class members, knowingly and voluntarily release and forever discharge the Released Parties from any and all claims, known and unknown, asserted and unasserted, that each of them has or may have had against Defendants and any of the Released Parties arising from their employment with Defendants. Such claims include, but are not limited to: breaches of contract, whether written, oral or implied; violations of any public policy; tort claims, including but not limited to intentional infliction of emotional distress and negligent infliction of emotional distress, defamation, misrepresentation, and fraud; retaliation claims; common law claims; any other claims for damages, costs, fees, or other expenses, including attorneys’ fees; and any violations of the following statutes, laws, and regulations: Fair Labor Standards

Act, 29 U.S.C. §§ 200, *et seq.,* Title VII of the Civil Rights Act of 1964, as amended; The Civil Rights Act of 1991; Sections 1981 through 1988 of Title 42 of the United States Code, as amended; The Americans with Disabilities Act of 1990, as amended; The Age Discrimination in Employment Act of 1967, as amended; the Older Workers Benefit Protection Act; the Employment Retirement Income Security Act of 1974, as amended; the Occupational Safety and Health Act, as amended; the Sarbanes-Oxley Act of 2002; the Family and Medical Leave Act of 1993, as amended; the Fair Labor Standards Act; the California Fair Employment and Housing Act – Cal. Gov't Code § 12900 *et seq.*; the California Family Rights Act – Cal. Gov't Code § 12945.2 *et seq.*; the California Unruh Civil Rights Act – Civ. Code § 51 *et seq.*; the California Whistleblower Protection Law – Cal. Lab. Code § 1102.5; the California Occupational Safety and Health Act, as amended – Cal. Lab. Code § 6300 *et seq*., and any applicable regulations thereunder; the California Business and Professions, Civil, Government and Labor Code; and any other federal, state, or local civil employment law, statute, regulation, or ordinance capable of being released by them, excluding claims for workers compensation benefits, unemployment insurance benefits, and any claims that cannot be released as a matter of law ("Plaintiffs' Released Claims"). To the extent the foregoing release is a release to which California Civil Code section 1542 or similar provisions of other applicable law may apply, Plaintiffs expressly waive, with respect to Plaintiffs' Released Claims, any and all rights and benefits conferred upon them by the provisions of California Civil Code section 1542 or similar provisions of applicable law which are as follows:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

Plaintiffs each acknowledge that they may later discover facts different from or in addition to those they now know or believe to be true regarding the matters released or described in this Settlement, and nonetheless agree that the releases and agreements contained in this Settlement shall remain fully effective in all respects notwithstanding any later discovery of any different or additional facts. Plaintiffs assume any and all risks of any mistake in connection with the true facts involved in the matters, disputes, or controversies described in this Settlement or with regard to any facts now unknown to each of them relating to such matters.

48. <u>No Prior Assignments</u>. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

TERMS OF SETTLEMENT

49. **Gross Settlement Amount.** As consideration, Defendants agree to pay the Gross Settlement Amount of Three Million Two Hundred Fifty Thousand Dollars and Zero Cents ($3,250,000.00) on a class and PAGA-wide basis and in full and complete settlement of the Actions, as follows:

    A. Defendants shall deposit the Gross Settlement Amount within 30 days of the Effective Date with the Settlement Administrator. In addition to the Gross Settlement Amount, Defendants shall pay the Employer Taxes due on the portion of the Individual Settlement Payments allocated to wages by the same deadline. Under no circumstances shall Defendants be obligated to pay any more than the Gross Settlement Amount and the Employer Taxes for the complete resolution of the Actions.

B. Allocation of the Gross Settlement Amount: This is a non-reversionary settlement. The Gross Settlement Amount includes funding for:

i. Individual Settlement Payment. All Individual Settlement Payments to the Settlement Class;

ii. Settlement Administration Costs. The Settlement Administrator shall be paid Settlement Administration Costs, which are anticipated to be no greater than $20,000.00;

iii. Class Representative Service Awards. Plaintiffs shall each be paid a Class Representative Award of up to $10,000.00 in recognition of Plaintiffs' contributions to the Actions and to the Settlement Class and for giving a general release of all claims. The Class Representative Service Awards shall be paid in addition to Plaintiffs' Individual Settlement Payments. Plaintiffs shall be solely and legally responsible to pay any and all applicable taxes on their Class Representative Service Awards, and the Class Representative Service Awards shall be reported on IRS Forms 1099 by the Settlement Administrator. Any portion of the Class Representative Service Awards not awarded to Plaintiffs shall remain with the Net Settlement Amount;

iv. Attorneys' Fees Award. Class Counsel shall be paid an Attorneys' Fee Award of up to one-third of the GSA (currently estimated to be $1,083,333.33), subject to Court approval;

v. Attorneys' Costs. Class Counsel shall be paid an award for reimbursement of their Attorneys' Costs, in relation to the Action as supported by declaration, up to, but not greater than $50,000.00; and

vi. PAGA Penalties. The Parties have set aside $250,000.00 of the GSA as PAGA civil penalties. Pursuant to the PAGA, 75% of such penalties, or $187,500.00, will be payable to the LWDA, and the remaining 25%, or $62,500.00, will be payable to PAGA Members based on their pro rata share of Pay Periods worked during the PAGA Period.

C. **Escalator Clause.** Defendants represent that Settlement Class members worked approximately 81,218 workweeks from the beginning of the Class Period through November 12, 2024. This is a material representation for Plaintiffs to enter this Agreement. If the actual number of workweeks worked by Settlement Class members during the Class Period exceeds this number by more than 10% (i.e., if Settlement Class members worked more than 89,340 workweeks during the Class Period), then Defendants will have the option to either: (i) increase the Gross Settlement Amount by the increase in workweeks over 10% (e.g., if the number of workweeks worked during the Class Period is 11% greater than 81,218, the Gross Settlement Amount will increase by 1%); **or** (ii) truncate the end of the Class Period on the date prior to the date on which the number of workweeks exceeded 10% greater than 81,218, such that the number of workweeks does not exceed 10% greater than 81,218 and this escalator provision will no longer be triggered. If Defendants elects to truncate the end of the Class Period under this provision, then the Class Period will end on that date and the notice to the Settlement Class will include the revised end date.

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50. **Allocation of the Net Settlement Amount ("NSA") and PAGA Members Payment.**

The Settlement Class members are not required to submit a claim to receive a payment under this Settlement Agreement. Individual Settlement Payments shall be allocated to the Settlement Class as follows:

A. Payments from the NSA to Participating Class Members: The NSA will be distributed to all Participating Class Members based on each Participating Class Member's proportionate number of Workweeks he/she worked for Defendants as a non-exempt, hourly employee in California during the Class Period. The Settlement Administrator will calculate each Participating Class Member's payment from the NSA by multiplying the NSA by a fraction, the numerator of which is the Participating Class Member's number of Workweeks, and the denominator of which is the total Workweeks of all Participating Class Members.

B. Payments from the PAGA Members' Payment: Each PAGA Member will receive a proportionate share of the PAGA Members Payment that is equal to (i) the number of Pay Periods he/she worked during the PAGA Period divided by (ii) the total number of Pay Periods worked by all PAGA Members during the PAGA Period.

51. Individual Settlement Payments. Participating Class Members shall receive an Individual Settlement Payment calculated as set forth in paragraph 50(A)-(B) above. Settlement Class members who opt out of the non-PAGA portion of the Settlement shall receive only an Individual Settlement Payment representing payment from the PAGA Members Payment (if any) as set forth in paragraph 50(B).

A. Within five (5) business days following Defendants' deposit of the Gross Settlement Amount and Employer Taxes with the Settlement Administrator, the Settlement Administrator will calculate the Individual Settlement Payments, and provide the same to Class Counsel and Defense Counsel for review and approval. Within three (3) business days after receiving approval from counsel of its calculations, the Settlement Administrator shall prepare and mail the Individual Settlement Payments, less applicable taxes and withholdings, to Settlement Class members, as well as the Class Representative Service Payments to Plaintiffs, the LWDA Payment, and Class Counsel's Attorneys' Fees and Attorneys' Costs (as approved by the Court). The Settlement Administrator shall simultaneously pay all applicable withholdings to the applicable authorities with the necessary reports, submitting copies to Defense Counsel. In no event shall Defendants ever be required to pay any amount greater than the Gross Settlement Amount plus Employer Taxes.

B. For purposes of calculating applicable taxes and withholdings for payments, each Individual Settlement Payment shall be allocated as follows: for amounts paid from the PAGA Amount, 100% penalties; for amounts paid from the Net Settlement Amount, 33.33% wages, and 66.67% as penalties and interest. The Settlement Administrator will be responsible for issuing to Settlement Class members an IRS Form W-2 for amounts deemed "wages" and an IRS Form 1099 for the portions allocated as penalties and interest. As stated above, Defendants are responsible for Employer Taxes on the Individual Settlement Payments, and these taxes will not be deducted from the Gross Settlement Amount.

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C. <u>No Credit Toward Benefit Plans</u>. Unless otherwise required by any applicable benefit plan, the Individual Settlement Payments made to Settlement Class members,, as well as any other payments made pursuant to this Settlement, shall not be construed as compensation for, nor utilized to calculate, any additional benefits under any benefit plans to which any Class Members may otherwise be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan of Defendants or pursuant to any Collective Bargaining Agreement. Unless otherwise required by any applicable benefit plan, this Settlement shall not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans.

D. Each Settlement Class member who is mailed an Individual Settlement Payment must cash his/her Individual Settlement Payment check within 180 days from the date the Settlement Administrator mails it. Any funds payable to a Settlement Class member whose check is not cashed within 180 days after mailing will be deposited by the Settlement Administrator with the California Unclaimed Property Fund, in the name of the Settlement Class member whose check is not cashed.

E. Neither Plaintiffs nor Defendants, nor their respective counsel, shall bear any liability for lost or stolen 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.

52. **Attorneys' Fees and Attorneys' Costs.** Class Counsel will request a total award of attorneys' fees of up to one-third of the Gross Settlement Amount (currently estimated at $1,083,333.33), plus actual costs and expenses as supported by declaration in an amount not to exceed $50,000.00. 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, including any objections raised and any appeals necessitated by those objections. As noted above, the Settlement Administrator will mail Class Counsel the Attorneys' Fees and Attorneys' Costs when it mails the Individual Settlement Payments to Settlement Class members. The Settlement Administrator will issue Class Counsel IRS Forms 1009 when the Settlement Administrator pays the Attorneys' Fees and Attorneys' Costs allowed by the Court.

PRELIMINARY APPROVAL OF THE SETTLEMENT

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

A. Conditionally certifying the Settlement Class for purposes of this Settlement only;

B. Appointing F. Shawn Azizollahi, Tuvia Korobkin, Poya Ghasri, Gary S. Brotman, and Nancy Goodes of Marquee Law Group, APC and Benjamin H. Haber and Daniel J. Kramer of Wilshire Law Firm PLC as Class Counsel;

C. Appointing Plaintiffs as Class Representatives for the Settlement Class;

D. Approving Phoenix as Settlement Administrator;

E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;

F. Establishing an implementation schedule for the Settlement, including the Response Deadline;

G. Approving the form and content of the proposed Notice Packet, attached hereto as Exhibits A and B, respectively), in English and Spanish, and directing the mailing of same; and

H. Scheduling a Final Approval hearing regarding the proposed Settlement, including payment of Attorneys' Fees and Attorneys' Costs, and Class Representative Service Award.

Plaintiffs' Counsel will provide counsel for Defendants with a draft of the motion for preliminary approval including the proposed Order Granting Preliminary Approval at least seven (7) calendar days before it is filed with the Court for Defendants' review and input. Defendants shall not oppose the Preliminary Approval Motion and may, in its sole option, file a declaration of non-opposition. Concurrently with the filing of the Preliminary Approval Motion, counsel for Plaintiffs shall submit a copy of this Agreement to the LWDA and provide proof of said submission to the Court and counsel for Defendants.

SETTLEMENT ADMINISTRATION

54. **Settlement Administrator**. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

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

A. Class Data. Within ten (10) Court days after entry of an order preliminarily approving this Agreement, Defendants will provide the Settlement Administrator with the name, last known address, last known phone number, and social security number; dates of employment; and the number of Workweeks worked for Defendants in California during the Class Period and number of PAGA Pay Periods worked for Defendants in California during the PAGA Period, for each Settlement Class member (the "Class Data List"). The Class Data List shall be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator. The Settlement Administrator shall only use this information to facilitate notice, administration of the Settlement, and for distribution of Individual Settlement Payments to Settlement Class members. The Parties agree to cooperate in the administration of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement.

B. Confirmation of Contact Information in the Class Data List. Within ten (10) Court days from receipt of the Class Data List from Defendants, the Settlement Administrator shall (i) run the names of all Settlement Class members through the National Change of Address ("NCOA") database to determine any updated addresses for Settlement Class members; (ii) update the addresses of any Settlement Class members for whom an updated address was found through the NCOA search; (iii) calculate the estimated Individual Settlement Payment for each Settlement Class member, and provide Class Counsel and Defense Counsel with its calculations for their approval; (iv) provide Class Counsel and Defense Counsel with formatted versions of the Notice Packets to be sent to the Settlement Class;

and (v) after receiving approval from all counsel, mail a Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.

C. Duty to Protect Class Data. The Settlement Administrator shall represent and warrant that it shall: (i) provide reasonable and appropriate administrative, physical and technical safeguards for the Class Data List that it receives from Defendants; (ii) not disclose the Class Data List to Class Counsel, Plaintiffs, any party or third parties, including agents or subcontractors, without Defendants' consent and keep the Class Data List confidential; (iii) not disclose or otherwise use the Class Data List other than to carry out its duties as set forth herein; and (iv) promptly provide Defendants with notice if it becomes aware that the Class Data List becomes subject to unauthorized access, use, or disclosure.

D. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the non-PAGA portion of the Settlement must complete, sign and postmark a written Request for Exclusion (defined below) to the Settlement Administrator, in the manner set forth in the Notice and by the Response Deadline. The Request for Exclusion is a document prepared by the Settlement Class member that must: (1) contain the Settlement Class member's name, address, telephone number, and last four digits of his/her Social Security number; (2) contain a statement that the Settlement Class member wishes to be excluded from the non-PAGA portion of 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 this Settlement. 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 excludes himself or herself from the Settlement Class will not be entitled to any recovery under this Settlement (except for any share from the PAGA Members Payment, if applicable), will not be bound by the terms of the Settlement (except for Released PAGA Claims, if applicable), and will not have any right to object, appeal, or comment thereon. The Settlement Administrator will provide the Parties with weekly updates regarding the number of Requests for Exclusion received. The Parties and their counsel agree not to take any action to encourage any Settlement Class member to request exclusion from the Settlement.

E. Objections. Settlement Class members who do not request exclusion may object to the non-PAGA portion of the Settlement by mailing a written objection to the Settlement Administrator as explained in the Class Notice. The postmark date shall be deemed the exclusive means for determining that the written Objection is timely. No late written Objection will be accepted or considered. Neither Participating Class Members, nor PAGA Members, shall have a right to object to the PAGA portion of the Settlement. Only Settlement Class members who have not opted out of the non-PAGA portion of the Settlement may object. Any Settlement Class member who does not object to the Settlement, intervene in the Action, or who fails to otherwise comply with the specific requirements of this Paragraph as provided in the Class Notice, shall be foreclosed from seeking any adjudication or review of the Settlement, by appeal or otherwise. Any Settlement Class member shall have a right to appear at the Final Approval Hearing in order to have their objections heard by the Court, even if no written Objection was submitted. The Settlement Administrator shall, within two (2) business days of receipt, serve any written objection(s) as received on Class Counsel and Defense Counsel, and Class Counsel shall then file all such objections with the Court. Defense Counsel and Class Counsel shall file and serve any responses to written objections no later than five (5) calendar days prior to the Final Approval hearing. To be valid, any written objection must: (1) contain the objecting Settlement Class member's full name, current address, telephone number, and e-mail address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence supporting the objection; and (4) be postmarked no later than the Response Deadline. A Settlement Class member who wishes to object but who fails to comply with the procedures set forth herein and/or in the Class Notice shall be deemed not to have objected. Any attorney who intends to represent an objecting Settlement Class member at the Final Approval hearing must submit a Notice of Appearance to the Court and serve it on all Parties on or before the Response Deadline. The Parties and their counsel agree not to take any action to encourage any Settlement Class member to object to the Settlement. If the Court overrules the Settlement Class member's objection(s), or if the Court approves the Settlement despite any objection(s), the Settlement Class member will be deemed to be a Participating Class Member, will be bound by the terms of this Agreement, and will be mailed their Individual Settlement Payment.

F. Notice of Estimated Settlement Award / Disputes. Each Notice Packet mailed to Settlement Class members shall contain a Notice of Estimated Settlement Award, in which shall be disclosed the amount of the Settlement Class member's estimated Individual Settlement Payment as well as the information that was gleaned from Defendants' records in order to calculate the Individual Settlement Payment, including their number of Workweeks they worked for Defendants in California during the Class Period and their number of PAGA Pay Periods (if any) worked during the PAGA Period. Settlement Class members will have the opportunity, should they disagree with Defendants' records regarding the information stated in their Notice of Estimated Settlement Award, to provide documentation and/or an explanation to show contrary information. The dispute must: (i) set forth the name, address, telephone number and last four digits of the social security number of the Class Member submitting the dispute; (ii) be signed by the Class Member; (iii) clearly state the reason(s) that the Settlement Class member disputes the information provided in the Notice Packet; and (iv) be postmarked on or before the Response Deadline. If there is a dispute, the Settlement Administrator will consult with counsel for the Parties to determine whether an adjustment to the Settlement Class member's number of Workweeks or PAGA Pay Periods is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payment under the terms of this Settlement. The Settlement Administrator's determination of the eligibility for and amount of any Individual Settlement Payment shall be binding upon the Settlement Class member and the Parties.

G. Any Notice Packets returned to the Settlement Administrator as non-deliverable on or before the Response Deadline 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 three (3) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall re-send the Notice Packet to the Settlement Class member within two (2) 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. Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline, whichever is later, to submit a Request for Exclusion, written Objection, or dispute, as applicable. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline, if applicable. If a Settlement Class member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet need not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defense Counsel to provide notice of the Settlement.

H. <u>Settlement Administrator Declaration.</u> Not later than thirty (30) calendar days prior to the Final Approval Hearing, the Settlement Administrator will provide the Parties with its declaration of due diligence setting forth its compliance with its obligations under this Agreement, the number of Participating Class Members, the number of Settlement Class members who timely submitted Requests for Exclusion from the non-PAGA portion of the Settlement, the number of objections to the Settlement and the number of PAGA Members, to be filed with the Court, and will supplement its declaration as needed or as requested by the Court.

I. <u>Settlement Administrator Final Report</u>. By no later than ten (10) calendar days following the deadline for Settlement Class members to cash their Individual Settlement Payments, the Settlement Administrator shall provide counsel for both Parties with a declaration of due diligence setting forth its compliance with its obligations in disbursing funds from the Gross Settlement Amount, including a statement of the number and dollar value of checks for Individual Settlement Payments cashed and the number and dollar value of checks for Individual Settlement Payments that were not cashed.

J. <u>Defendants Right to Rescind.</u> Defendants shall have, in their sole discretion, the right to void and withdraw from the Settlement if, at any time prior to Final Approval, ten percent (10%) or more of Settlement Class members timely and validly Request Exclusion from the non-PAGA portion of the Settlement. Defendants must exercise this right of rescission in writing to Class Counsel within fourteen (14) calendar days after the latest date any Settlement Class member may timely submit his or her Request for Exclusion. If Defendants exercise their right of rescission pursuant to this paragraph, Defendants shall be responsible for all costs incurred by the Settlement Administrator.

FINAL APPROVAL

56. **Final Approval.** Following preliminary approval and the close of the period for submitting Requests for Exclusion, Objections, or disputes under this Settlement Agreement, Plaintiffs shall apply to the Court for entry of an Order:

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

B. Approving Plaintiffs' and Class Counsel's application for Attorneys' Fees, Attorneys' Costs, Class Representative Service Awards, PAGA Penalties, and Settlement Administration Costs; and

C. Entering judgment pursuant to California Rule of Court 3.769.

The Final Approval Hearing shall not be held earlier than thirty (30) calendar days after the Response Deadline. Class Counsel shall be responsible for drafting all documents necessary to obtain final approval. The Motion for Order Granting Final Approval and Entering Judgment shall include Class Counsel's application for the Class Counsel's Attorneys' Fees and Costs, the Class Representative Service Awards, and the Settlement Administrator's expenses. A draft of such motion shall be provided to Counsel for Defendants five (5) business days prior to its filing with the Court. Plaintiffs agree not to file their motion and/or application without Defendant's review and input. The Settlement Administrator shall maintain on its website a section for this Settlement which includes a copy of the Motion for Preliminary Approval, along with any accompanying exhibits, and the operative Complaint. It shall be updated after Judgment is entered with a copy of the final Judgment.

Within ten (10) calendar days of the date this Agreement is fully executed, Plaintiff Perez shall seek dismissal without prejudice of the *Perez* Actions.

57. Funding of the Settlement. The Administrator shall deposit the Gross Settlement Amount into a Qualified Settlement Account, from which the Settlement Administrator will have the authority to distribute money in accordance with the terms of this Settlement Agreement.

58. No Effective Date. If there is no Effective Date: (i) the Settlement Agreement shall have no force and effect and no Party shall be bound by any of its terms; (ii) Defendants shall have no obligation to make any payments required under this Agreement; (iii) the Parties shall evenly distribute and pay any Administration Costs incurred up until the date that the Settlement ceases to exist; and (iv) the Settlement Agreement and all negotiations, statements, proceedings, and data relating thereto shall be protected as privileged settlement communications and shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions in the Actions prior to the date of execution of the Settlement Agreement. In such event, the Parties shall work cooperatively to request a conference with the Court in which to attempt to resolve any issues that the Court has raised regarding the Agreement so that it can gain the Court's approval, or alternatively, effectuate their intent to resume the Actions.

59. **Continuing Jurisdiction.** Except as otherwise specifically provided for herein, the Court shall retain jurisdiction to construe, interpret and enforce this Settlement, to supervise all notices, the administration of the Settlement, to hear and adjudicate any dispute arising from or related to the Settlement, and to hear such post-Judgment matters and may be appropriate under court rules or as set forth in this Settlement. The Parties agree that the Court has jurisdiction over the Settlement pursuant to California Code of Civil Procedure, Section 664.6 and Cal. Rule of Court 3.769.

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ADDITIONAL TERMS

60. **Non-Admission of Liability.** Defendants and the Released Parties do not admit, and specifically deny, that Defendants or any Released Parties violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to their employees. Nothing in this Settlement 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 to avoid the burden and expense of further litigation. Pursuant to California Evidence Code § 1152, this Settlement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement. If Final Approval does not occur, the Parties agree that this Settlement is void, but remains protected by California Evidence Code § 1152.

61. **Confidentiality.** Plaintiffs and Class Counsel agree that, prior to filing a Motion for Preliminary Approval, they will not disclose or publicize the Settlement contemplated herein, the fact of the Settlement, its terms or contents, or the negotiations underlying the Settlement, in any manner or form, to any person or entity, except to Settlement Class members and as shall be contractually required to effectuate the terms of the Settlement as set forth herein, and except to Plaintiffs' respective spouses or to Plaintiffs' respective attorneys or tax preparers as necessary for those professionals to provide their professional services to Plaintiffs.

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

63. **Enforcement Action.** In the event any Party brings an action to enforce the terms of this Settlement or to declare rights and/or obligations under this Settlement, the prevailing party in such action shall be entitled to recover his/her/its reasonable attorneys' fees and costs incurred, including reasonable expert witness fees incurred in connection with any enforcement actions.

64. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement shall be in writing and delivered by receipted delivery and/or 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 Defendant:	Annureet K. Bezwada, Littler Mendelson, P.C., 5200 North Palm Avenue, Suite 302, Fresno, CA 93704; abezwada@littler.com
if to Plaintiffs:	Tuvia Korobkin, Marquee Law Group APC, 9100 Wilshire Blvd., Suite 445 East, Beverly Hills, CA 90212; tuvia@marqueelaw.com
	Benjamin H. Haber, Wilshire Law Firm PLC, 3055 Wilshire Blvd., 12th Floor, Los Angeles, CA 90010; benjamin.haber@wilshirelawfirm.com

65. **Applicable Law.** All terms and conditions of this Settlement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law or choice of law principles.

66. **Captions and Interpretations.** Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement or any provision hereof. Each term of this Settlement is contractual and not merely a recital.

67. **Entire Agreement.** This Settlement and attached Exhibits contain the entire agreement among 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. The Parties expressly recognize California Civil Code section 1625 and California Code of Civil Procedure section 1856(a), which provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written representations or terms shall modify, vary or contradict the terms of this Settlement.

68. **Counterparts.** This Settlement 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.

69. **Cooperation in Drafting**. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement. Accordingly, the Parties have cooperated in the drafting and preparation of this Settlement. This Settlement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

70. <u>Exhibits Incorporated by Reference</u>. The terms of this Settlement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. Any Exhibits to this Settlement are an integral part of the Settlement.

71. <u>Authorization to Enter Into Settlement</u>. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement. The Parties and their counsel shall cooperate with each other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

72. <u>Binding on Successors and Assigns</u>. This Settlement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

73. <u>Acknowledgement that the Settlement is Fair and Reasonable</u>. The Parties believe this Settlement is a fair, adequate and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

74. <u>Acknowledgement of Future Legislation</u>. Each Party recognizes that legislation could affect the outcome of the Action. The Parties, nevertheless, enter into this Settlement to avoid risk of loss and to avoid uncertainty with the interpretation, nature, and applicability of future legislation.

75. <u>Invalidity of Any Provision</u>. Before declaring any provision of this Settlement invalid, the Court shall first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Settlement valid and enforceable.

76. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement herein shall be subject to final Court approval.

77. Cooperation and Execution of Necessary Documents. All Parties shall cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement.

78. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement shall be fully enforceable and binding on all parties and agree that it shall be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

AGREED TO AND APPROVED BY:

DATED: 07/10/2025

STATEWIDE TRAFFIC SAFETY AND SIGNS, INC. dba AWP SAFETY.

By: Debbie Riazzi
Deborah Riazzi,
Director, Compliance
and Labor Relations

DATED: 07/10/2025

TRAFFIC SOLUTIONS CORPORATION

By: Debbie Riazzi
Deborah Riazzi,
Director, Compliance
and Labor Relations

DATED: 7/2/2025

JEFFERSON RODRIGUEZ

Signed by:
EBFE060CF7444A1...
Plaintiff and Class Representative

DATED: ____________

DANIELLE ANDREA PEREZ

____
Plaintiff and Class Representative

DATED: ____________

JESSE KNIGHT

____
Plaintiff and Class Representative

76. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement herein shall be subject to final Court approval.

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AGREED TO AND APPROVED BY:

DATED: ____________

STATEWIDE TRAFFIC SAFETY AND SIGNS, INC. dba AWP SAFETY.

By:_________________
Deborah Riazzi,
Director, Compliance
and Labor Relations

DATED:__________________

TRAFFIC SOLUTIONS CORPORATION

By:_____________________
Deborah Riazzi,
Director, Compliance
and Labor Relations

DATED: __________________

JEFFERSON RODRIGUEZ

____
Plaintiff and Class Representative

DATED: 7/9/2025

DANIELLE ANDREA PEREZ

DocuSigned by:
1D6D3FA31EFF4DD...
____
Plaintiff and Class Representative

DATED: 7/3/2025

JESSIE KNIGHT

Signed by:
9A0BC85D155345F...
____
Plaintiff and Class Representative

APPROVED AS TO FORM:

MARQUEE LAW GROUP APC

DATED: 7/2/2025 By: Signed by: Tuvia Korobkin A536AA1D0ED241F...

Tuvia Korobkin
Attorneys for Plaintiffs

WILSHIRE LAW FIRM PLC

DATED: ____________________ By: ________________________________

Benjamin H. Haber
Attorneys for Plaintiffs

LITTLER MENDELSON, P.C.

DATED: ____________________ By: ________________________________

Annureet K. Bezwada
Attorneys for Defendant

APPROVED AS TO FORM:

MARQUEE LAW GROUP APC

DATED: ____________________ By: ______________________________
Tuvia Korobkin
Attorneys for Plaintiffs

WILSHIRE LAW FIRM PLC

DATED: 7/3/2025 By: ______________________________
Benjamin H. Haber
Attorneys for Plaintiffs

LITTLER MENDELSON, P.C.

DATED: 7/10/2025 By: ______________________________
Annureet K. Bezwada
Attorneys for Defendant

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SANTA CLARA

JEFFERSON RODRIGUEZ, DANIELLE PEREZ, and JESSE KNIGHT, Plaintiffs, vs. STATEWIDE TRAFFIC SAFETY AND SIGNS, INC. d/b/a AWP SAFETY; TRAFFIC SOLUTIONS CORPORATION, Defendants.	Case No. 23CV428021 **NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT**

To: All current and former non-exempt hourly employees who were employed by Statewide Traffic Safety and Signs, Inc., now doing business as AWP Safety ("Statewide") and Traffic Solutions Corporation ("TSC") (together, Statewide and TSC are referred to as "Defendants") in California at any time from December 22, 2019 through January 11, 2025 ("Class Period").

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

Why should you read this Notice?

The Santa Clara County Superior Court ("Court") has granted preliminary approval of a proposed class and representative action settlement (the "Settlement") that resolves a class and representative action pending against Defendants called *Jefferson Rodriguez, et al v. Statewide Traffic and Safety Systems, Inc., et al,* Case No. 23CV428021 (the "Action").

Because your rights may be affected by the Settlement, it is important that you read this Notice carefully.

Defendants' records show that you were employed by Defendants as a non-exempt hourly employee in California at some point between December 22, 2019 and January 11, 2025. You are therefore a member of the proposed "Settlement Class." 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 Action, to inform you of the terms of the proposed 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. If final judgment is entered in this case, it will be posted to the Settlement Administrator's website, <<ADMIN WEBSITE>>.

What is this case about?

Plaintiffs Jefferson Rodriguez, Danielle Perez, and Jesse Knight ("Plaintiffs") have filed a lawsuit alleging that Defendants violated California law. Specifically, Plaintiffs allege that Defendants: (i) failed to pay minimum wages or straight time wages for all hours worked; (ii) failed to pay overtime wages; (iii) failed to provide meal periods; (iv) failed to authorize and permit rest periods; (v) failed to indemnify business expenses, (vi) failed to issue accurate itemized wage statements; (vii) failed to timely pay all wages during employment and at termination, (viii) failed to provide one day's rest in seven; and, as a result of the above, (ix) engaged in unlawful business practices. In addition, Plaintiffs seek recovery of derivative civil penalties under the California Labor Code Private Attorneys General Act ("PAGA").

Plaintiffs' attorneys, who also represent the interests of all Settlement Class members, are known as "Class Counsel."

Defendants deny that they have done anything wrong and believe they have acted in compliance with all applicable laws and that Plaintiffs' claims have no merit. Defendants also deny that they owe any wages, restitution, penalties, or other damages. By agreeing to settle, Defendants do not admit liability or any of the factual allegations or claims asserted in the Action or that the Action can or should proceed as a class action in a non-settlement context.

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

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

If you still work for Statewide or TSC, your decision about whether to participate in the Settlement will not affect your employment status. California law and Defendants' company policies strictly prohibit unlawful retaliation. Defendants will not take any adverse action against or otherwise target, retaliate, or discriminate against any Settlement Class member because of the Settlement Class member's decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for Plaintiffs / the Settlement Class:	Attorneys for Defendants:
MARQUEE LAW GROUP, APC F. Shawn Azizollahi shawn@marqueelaw.com Tuvia Korobkin tuvia@marqueelaw.com Gary S. Brotman gary@marqueelaw.com Nancy Goodes nancy@marqueelaw.com 9100 Wilshire Blvd., Suite 445 East Beverly Hills, California 90212 Tel: (310) 275-1844 www.marqueelaw.com **WILSHIRE LAW FIRM** Benjamin H. Haber benjamin@wilshirelawfirn.com Daniel J. Kramer dkramer@wilshirelawfirm.com 3055 Wilshire Blvd., 12th Floor Los Angeles, California 90010 Tel: (213) 381-9988 www.wilshirelawfirm.com	**LITTLER MENDELSON P.C.** Annureet K. Bezwada abezwada@littler.com Aaron M. Bausch abausch@littler.com 5200 North Palm Avenue, Suite 302 Fresno, California 93704 Tel.: (559) 244-7500 www.littler.com

What are the terms of the Settlement?

Defendants have agreed to pay $3,250,000.00 (the "Gross Settlement Amount") to fully resolve all claims in the Action, including claims by Settlement Class members, attorneys' fees, costs, settlement administration costs, PAGA civil penalties, and Class Representative Service Awards.

The following deductions from the Gross Settlement Amount will be requested by the parties:

> Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved setting aside up to $20,000 from the Gross Settlement Amount to pay the Settlement administration costs.
>
> Attorneys' Fees and Costs. Class Counsel will ask for fees of up to one-third of the Gross Settlement Amount, currently estimated to be $1,083,333.33 as reasonable compensation for the work Class Counsel performed, and will continue to perform, in this Action through Settlement finalization. Class Counsel also will ask for reimbursement of up to $50,000 for reimbursement of verified costs Class Counsel incurred in connection with the Lawsuit.
>
> Class Representative Service Awards. Class Counsel will ask the Court to approve an award of $10,000 to each of the Plaintiffs (for a total of $30,000), also known as the "Class Representatives." These awards are to compensate the Class Representatives for their service and extra work provided on behalf of the Settlement Class.
>
> PAGA Civil Penalties. The parties have agreed to allocate $250,000 of the Gross Settlement Amount as alleged civil penalties for the settlement of Plaintiffs' PAGA claim. Pursuant to the requirements of the PAGA, seventy-five percent (75%) of that amount, or $187,500, will be paid to the California Labor & Workforce Development Agency ("LWDA"). The remaining $62,500 has been designated as the "PAGA Members Payment" and will be paid to certain Settlement Class members, known as PAGA Members, as described below.

Calculation of Settlement Class Members' Individual Settlement Payments. After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the Net Settlement Amount ("NSA"), which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion (described below). The NSA is estimated to be approximately $1,816,666.67. Together with the $62,500 PAGA Members Payment, the total amount to be distributed to Settlement Class members is estimated to be $1,879,166.67. Payments to Settlement Class members, known as "Individual Settlement Payments," will be calculated as follows:

NSA Payment: All Participating Class Members (i.e., all Settlement Class members who do not opt out of the Settlement) will receive a payment from the NSA. The NSA will be distributed to all Participating Class Members based on each Participating Class Member's proportionate number of workweeks worked for Defendants as a non-exempt, hourly employee in California during the Class Period.

PAGA Members Payment: In addition to the NSA, $62,500 of the Gross Settlement Amount has been designated as the "PAGA Members Payment" as described above, and will be allocated to all Settlement Class members (whether or not they opt out) who worked for Defendants as a non-exempt, hourly employee in California at any time from October 10, 2022 to January 11, 2025 (the "PAGA Period"). This sub-group of Settlement Class members are known as the "PAGA Members." All PAGA Members will receive a payment from the PAGA Members Payment in proportion to the number of pay periods that they worked for Defendants as a non-exempt, hourly employee in California during the PAGA Period.

Deposit of Gross Settlement Amount and Distribution of Payments. If the Court grants final approval and there are no objections to the Settlement, the Gross Settlement Amount will be funded by Defendants approximately 95 days after final approval. Individual Settlement Payments will be mailed approximately 8 business days after the Gross Settlement Amount is funded.

Allocation and Taxes. For tax purposes, Individual Settlement Payments shall be treated as follows: for payments from the PAGA Amount, 100% penalties; for payments from the NSA, 33.33% wages (with withholdings taken), and 66.67% penalties and interest. The Settlement Administrator will issue IRS forms W-2 for all amounts designated as "wages," and will issue IRS forms 1099 for all amounts designated as penalties and interest. Defendants will pay the employer's taxes on any amounts designated as "wages" separately from, and in addition to, the Gross Settlement Amount. Settlement Class members are responsible for the proper income tax treatment of the Individual Settlement Payments. The Settlement Administrator, Defendants and their counsel, and Plaintiffs and Class Counsel cannot provide tax advice. Accordingly, Settlement Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Releases. Upon the Effective Date (as defined in the Settlement) occurring and the Settlement being fully funded, Plaintiffs and every Participating Class Member will release and discharge Defendants each of their past, present, and future parents, subsidiaries, sister companies, affiliates, predecessors, members and divisions, including but not limited to Area Wide Protective, Inc., AWP Safety, and Statewide Safety Systems, and their respective past, present, and future officers, directors, employees, partners, shareholders, owners, agents, insurers, former employees, servants, independent contractors, volunteers, legal representatives, attorneys and all of their successors (including persons or entities who may acquire them in the future), assigns, representatives, heirs, executors, and administrators and all other persons acting by, through, under or in concert with them that could be liable for the Released Claims defined below (the "Released Parties") from any and all claims, debts, rights, demands, obligations or liabilities of every nature and description, for damages, premiums, penalties, liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief against the Released Parties, arising during the Class Period and alleged in the operative Complaint in the Action, or which could have been alleged based on the facts pled in the operative Complaint in the Action, including without limitation claims relating to: (a) any alleged failure by Defendants (1) to pay minimum or straight time wages, (2) to pay overtime wages, (3) to provide meal periods or pay meal period premium wages, (4) to authorize and permit rest periods or pay rest period premium wages, (5) to issue compliant wage statements, (6) to timely pay wages during employment or at the end of employment, or (7) to reimburse work-related expenses; (b) any right or claim for unfair business practices in violation of California Business & Professions Code sections 17200, *et seq.*, based on the alleged failures set forth in (a)(1) through (a)(7) above; and (c) any violation of the California Labor Code arising from or related to the conduct alleged in (a)(1) through (a)(7) above, including, without limitation, violation of California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802 and 2804, or any other applicable state statute, rule and/or regulation, based on Participating Class Members' employment with Defendants in California during the Class Period. These claims are referred to as the "Released Class Claims." The "Released Class Claims" includes all types of relief available for the above-referenced claims, including any claims for damages, restitution, losses, premiums, penalties, fines, liens attorneys' fees, costs, expenses, debts, interest, injunctive relief, declaratory relief, or liquidated damages, whether under federal law, California law or any state or local law or common law, the California Industrial Welfare Commission Wage Orders, and any other applicable regulations.

In addition, upon (i) the Effective Date occurring and (ii) the Gross Settlement Amount being fully funded, all PAGA Members (whether or not they opt out of the Settlement) shall release all PAGA claims against the Released Parties arising from PAGA Members' employment with Defendants during the PAGA Period and alleged in Plaintiffs' letters and amended letters to the LWDA filed on behalf of any named Plaintiffs in this action, including Plaintiffs Jefferson Rodriguez, Danielle Andrea Perez, and Jesse Knight, or which could have been alleged based on the facts pled in Plaintiffs' letters or amended letters to the LWDA, including without limitation PAGA claims relating to: (i) the alleged failure to timely pay earned wages; (ii) the alleged failure to pay minimum and straight time wages; (iii) the alleged failure to pay overtime wages; (iv) the alleged failure to provide meal periods; (v) the alleged failure to authorize and permit rest periods; (vi) the alleged failure to timely pay final wages; (vii) the alleged failure to provide accurate itemized wage statements; (viii) the alleged failure to indemnify employee business expenses; (ix) the alleged unfair competition; (x) the alleged failure to provide a day of rest; and (xii) any other PAGA claims premised on the aforementioned allegations. ("Released PAGA Claims"). Pursuant to *Robinson v. Southern Counties Oil Co.*, 53 Cal.App.5th 476 (2020), all PAGA Group members shall be bound by the PAGA portion of the Settlement and may not opt out of the PAGA portion of the Settlement.

Conditional Settlement. By granting preliminary approval of the Settlement, the Court has determined that the Settlement falls within the range of possible approval as fair, reasonable, and adequate. This Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement.

How can I claim money from the Settlement?

Do Nothing. You do not need to do anything if you want to receive payment from and participate in the Settlement. If you do nothing, you will be entitled to your Individual Settlement Payment based on the number of workweeks you worked for Defendants as a non-exempt, hourly employee in California during the Class Period and the number of pay periods you worked for Defendants as a non-exempt, hourly employee in California during the PAGA Period. You also will be bound by the Settlement, including the release of claims stated herein.

Check Cashing Deadline and Uncashed Checks. You must cash or deposit your Individual Settlement Payment check within 180 days from the date that the Settlement Administrator mails the check to you. If you do not cash or deposit your check within 180 days, your check will be voided and the funds from the check will escheat to the State of California Unclaimed Property Fund in your name.

How much money will I receive from the Settlement?

Based on Defendants' records, your total Individual Settlement Payment is estimated to be **<<$XXXXX>>**, which includes <<$XXXXX>> from the Net Settlement Amount and <<$XXXXX>> from the PAGA Members Payment. The enclosed "Notice of Estimated Settlement Payment" contains the data from Defendants' records that was relied upon in calculating your estimated payment.

What other options do I have?

Disputing Information in Notice of Estimated Settlement Payment. Your estimated Individual Settlement Payment has been calculated as noted above. Your estimated payment is based on the number of workweeks you worked for Defendants as a non-exempt, hourly employee in California during the Class Period and the number of pay periods you worked for Defendants as a non-exempt, hourly employee in California during the PAGA Period. The information contained in Defendants' records regarding each of these factors is listed on the accompanying Notice of Estimated Settlement Payment.

If you disagree with the information in your Notice of Estimated Settlement Payment, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Estimated 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 Settlement Class members. The Settlement Administrator's decision regarding any dispute will be final.

Exclude Yourself from the Class Portion of the Settlement. If you **do not** wish to take part in the class portion of the Settlement, you may exclude yourself by sending to the Settlement Administrator a written "Request for Exclusion" letter or postcard, postmarked no later than <<RESPONSE DEADLINE>>, with your full name (as well as any former names you used while you worked for Defendants), your current address, telephone number, last 4 digits of your social security number, and your signature. Although there is no specific language that must be included, the Request for Exclusion must state that you wish to exclude yourself from the Settlement Class in the *Jefferson Rodriguez v. Statewide Traffic Safety* lawsuit.

Send any Request for Exclusion directly to the Settlement Administrator at <<ADMINISTRATOR CONTACT INFO>>. Any person who submits a valid and timely Request for Exclusion shall, upon receipt, no longer be a Settlement Class member with respect to the class claims, shall be barred from participating in the class portion of the Settlement, and shall receive no benefits from the class portion of the Settlement. Any person who submits a valid and timely Request for Exclusion will also lack standing to submit any objection to the Settlement. However, all PAGA Members, even those who submit a valid and timely Request for Exclusion, will be bound by the PAGA portion of the Settlement and will receive a portion of the PAGA Amount.

<u>Objecting to the Settlement</u>. If you do not submit a Request for Exclusion, you have the right to object to the terms of the class 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 class Settlement, or any portion of it, you may (1) mail a written Objection to the Settlement Administrator, and/or (2) appear at the Final Approval Hearing and object orally. Any written Objection must include your full name (as well as any former names used while you worked for Defendants), current address, current phone number and e-mail address, the name and contact information of any attorney representing you, each specific reason in support of your objection, and any legal or factual support for each objection, including any supporting papers, briefs, written evidence, declarations, and/or other evidence. Any written Objections must be postmarked on or before <<RESPONSE DEADLINE>>. If you do not submit a written objection, you may still object orally at the Final Approval Hearing and discuss your objection with the judge.

If you wish to appear at the Final Approval Hearing, you have the right to appear either in person or through your own attorney. If you wish to appear at the Final Approval Hearing and/or retain an attorney to represent you at the hearing, you must do so at your own expense. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before <<RESPONSE DEADLINE>>.

If you object to the Settlement, you will remain a Settlement Class member, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class members who do not object. In other words, by submitting an Objection, you are <u>not</u> excluding yourself from the Settlement.

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 19 of the Santa Clara County Superior Court, located at 161 North First Street, San Jose, California 95113. At the Final Approval Hearing, the Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of costs/expenses, the Class Representative Service Awards, and the Settlement Administration Costs.

The Final Approval Hearing may be postponed or moved without further notice to the Settlement Class. If you would like to confirm the date and time of the Final Approval Hearing, you may consult the Settlement website at <<website URL>>. You may also visit the Court website as described below. **You are <u>not</u> required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing at their own expense.**

How can I get additional information?

This Notice is only a summary of the Action and the Settlement. For more information, you may consult the Court's website, www.santaclara.courts.ca/gov. You may also contact the Settlement Administrator or Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT FOR INFORMATION ABOUT THIS SETTLEMENT.

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is **<<RESPONSE DEADLINE>>**. These deadlines will be strictly enforced.

EXHIBIT B

<u>NOTICE OF ESTIMATED SETTLEMENT PAYMENT</u>

JEFFERSON RODRIGUEZ et al v. STATEWIDE TRAFFIC SAFETY AND SIGNS, INC. et al.

Santa Clara County Superior Court Case No. 23CV428021

Please complete, sign, 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 items 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

____

Phone number (if you wish to be contacted by phone)

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

According to Defendants' records:

(a) you were employed for _____ workweeks for Defendants as a non-exempt, hourly employee in California between December 22, 2019 and January 11, 2025;

(b) you were employed for _____ pay periods for Defendants as a non-exempt, hourly employee in California between October 10, 2022 and January 11, 2025.

Based on the above, your Individual Settlement Payment is estimated at **$**___________, which includes $__________ from the Net Settlement Amount and $_________ from the PAGA Members Payment.

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

____

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____

____

If you dispute the above information from Defendants' records, Defendants' records will control unless you are able to provide documentation that establishes that their records are mistaken. If there is a dispute about whether Defendants' information or yours is accurate, the dispute will be resolved by the Parties and the Settlement Administrator as described in the "Notice of Class Action Settlement" that accompanies this Form. The Settlement Administrator's determination will be final.

Date: ________________ **Signature:** __________________

ANY DISPUTES (INCLUDING SUPPORTING DOCUMENTS) MUST BE POSTMARKED NO LATER THAN <<RESPONSE DEADLINE>>.

EXHIBIT 2

MARQUEE LAW GROUP
A PROFESSIONAL CORPORATION

9100 Wilshire Boulevard
Suite 445 East Tower
Beverly Hills, CA 90212
T: (310) 275-1844
F: (310) 275-1801

October 10, 2023

Via Online Filing

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

Via U.S. Certified Mail

Statewide Traffic Safety and Signs, Inc.
c/o CSC Lawyers Incorporating Service
2710 Gateway Oaks Drive, Ste 150N
Sacramento, CA 95833

Via U.S. Certified Mail

Statewide Traffic Safety and Signs, Inc.
c/o Human Resources/Legal Dept.
2722 S. Fairview Street
Santa Ana, CA 92704

Re: PAGA Claim Notice Concerning *Jefferson Rodriguez v. Statewide Traffic Safety and Signs, Inc.*

To LWDA PAGA Administrator and Respondents:

This office represents Jefferson Rodriguez ("Complainant") in connection with his claims under the California Labor Code. Complainant was an employee of Statewide Traffic Safety and Signs, Inc., d.b.a. Statewide Safety Systems ("Statewide" or "Employer"), a Delaware corporation registered to do business within the state of California.

Statewide, including, but not limited to, its individual managing agents, may be contacted directly at the above addresses. Complainant intends to seek civil penalties, attorney's fees, unpaid wages, costs, and other available relief for violations of the California Labor Code, which are recoverable under § 2698 et seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA"). This letter is sent in compliance with the reporting requirements of California Labor Code §§ 2699.3 and 2699.5. This letter further reserves any and all rights by Complainant to amend this notice to include, amend, or add further charges upon the discovery of new violations of any of the provisions of the California Labor Code. In addition, to the extent that entities and/or other individuals are named and charged with violations of the Labor Code – making them liable on an individual basis as permitted by numerous Labor Code sections, including, but not limited to, Labor Code §§ 558, 558.1, and 1197.1 – Complainant reserves any and all rights to add, substitute, or change the name of employer entities and/or individuals responsible for the violations at issue. Any further amendments and changes to this notice shall relate back to the date of this notice.

Consequently, employer is on notice that Complainant continues his investigation, with the full intent to amend and/or change this notice, to add any undiscovered violations of any of the provisions of the California Labor Code – to the extent they are applicable to this case – and to change and/or add the identities of any entities and/or individuals responsible for the violations contained herein. If Employer intends to cure the alleged violations within the statutory time period set forth in §§ 2699 and 2699.3, to the extent they are curable, Employer shall provide notice including a description of actions taken to cure. If the alleged violation is not cured within the statutory time period, to the extent it can be cured, employee will commence a civil action pursuant to § 2699 et seq.

Based on the following summary of the facts and theories upon which Complainant will base his claims, Complainant requests that the LWDA regard this Notice as written notice of his intent to seek civil penalties against Employer. The specific provisions of the California Labor Code that Employer has violated requiring this notice include, but are not limited to, California Labor Code §§ 202, 203, 204, 210, 226, 226.3, 226.7, 226.8, 245 et seq., 256, 510, 512, 558, 558.1, 1174, 1194, 1197, 1198, 1199, 2802, and all applicable wage orders. These violations subject Employer to civil penalties as set forth in (1) the foregoing statutes; (2) labor code §§ 210, 226.3, 226, 558, 1174.5, 1197.1, 2699; and (3) Wage Order 16-2001, § 18, and any other applicable wage orders.

Employer; Summary of Labor Code Violations

Employer hails itself as "the premier resource for Traffic Control Services across 8 states." It offers a variety of services, products, and rentals for work zone safety systems throughout California. Statewide is a subsidiary of AWP Inc., d.b.a. AWP Safety, which offers traffic control services in over 160 locations across 28 U.S. states and four Canadian provinces. Statewide has over 200 employees and achieved over $69.3 million in revenue in 2022. While Employer may be a successful company, it blatantly ignores and does not comply with California labor laws.

Among other things, Employer participated in a pattern of using inaccurate employee timecards to short their hours, failing to provide employees an opportunity to take meal and/or rest periods, failing to provide meal and/or rest premiums as appliable, and failing to reimburse employees for steel-toed work boots and personal car use for work. This resulted in Employer's failure to keep accurate and complete time records for employees; failure to pay employees for all hours worked; failure to provide overtime compensation to non-exempt employees; failure to provide meal and rest periods, or premium compensation in lieu thereof, to non-exempt employees; failure to provide accurate wage statements to employees; and failure to pay employees all earned and unpaid wages upon their separation from employment. Further descriptions of the above-mentioned violations and others are explained below.

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Complainant and the Aggrieved Employees

Complainant commenced work for Statewide in or about 2021 as an apprentice traffic controller. Complainant later became a certified traffic controller, which resulted in an increase of his hourly pay rate. Complainant performed the duties of a non-exempt employee for the entirety of his employment period with Statewide from in or about 2021, through in or about July 2023. Complainant's job duties consisted of setting up safe work zones with proper equipment, communicating with his driving partner, and controlling traffic flow with stop/slow paddles. Complainant performed these duties on an hourly basis throughout his employment. Despite being a non-exempt employee, throughout his employment, Complainant was denied payment for all time worked, full and uninterrupted meal or rest periods, and proper business expense reimbursement.

Employer established a practice of relying on the inaccurate timecards of drivers to determine the hours worked by traffic controllers who worked with them during shifts. Employer relied on the drivers' timecards, which included meal and/or rest periods which traffic controllers did not actually take. Often, aggrieved employees like Complainant would have to spend additional time waiting for drivers to arrive at the work site. However, drivers would record their clock-in time as the same time as the traffic controllers. As a result, traffic controllers spent several minutes every day working off-the-clock while waiting for drivers to arrive. Further, aggrieved employees like Complainant would provide their supervisors with their own more accurate timecards. However, the supervisors would still rely on the driver's inaccurate timecards in order to not pay Complainant and other aggrieved employees for off-the-clock work and/or meal and/or rest period premiums. Aggrieved employees would also not be paid for time spent driving between work sites for about 15-20 minutes in their personal car. Aggrieved employees would sometimes switch work sites two or three days a day and several times a week, resulting in multiple hours of off-the-clock work per week.

Complainant and other aggrieved employees regularly worked ten (10) to eighteen (18) hour workdays but were unable to take a single timely off-duty meal period of at least thirty (30) minutes before the end of their fifth hour of work, or rest period of at least ten (10) minutes per every four (4) hours of work. Traffic controllers were forced to always remain on-duty for the duration of their workday, in order to adequately perform their duties in directing traffic. This resulted in the inability for Complainant and other aggrieved employees to take compliant meal and/or rest periods. Complainant recalls being unable to eat all day for over twelve hours, returning home with shaking, sore legs and even vomiting due to the heat and hunger he was forced to endure. However, Complainant was rarely ever given a meal and/or rest break premium for his missed, late, short and/or interrupted breaks.

Employer also failed to reimburse Complainant and other aggrieved employees for business expenses they incurred as part of their job duties. This includes the purchase of steel-toed work boots and personal car use expenses. Complainant and other aggrieved employees had to purchase steel-toed boots as part of their job duties but were never reimbursed for these purchases. Complainant and other aggrieved employees also had to use their personal vehicles in order to change work locations throughout the day, approximately two to three times per day.

Complainant and other aggrieved employees were never reimbursed for either gas mileage nor wear and tear on their vehicles for these work location changes.

At all relevant times, Complainant was an aggrieved employee as defined in Labor Code § 2699(c) ("any person who was employed by the alleged violator and against whom one or more of the violations was committed"). He seeks recovery for the Labor Code violations set forth herein on behalf of himself and other current and former employees, including but not limited to: non-exempt employees and other aggrieved employees who were employed by Employer in the State of California within one year of the filing of this Notice and who were subject to the same or similar Labor Code and IWC Wage Order violations as Complainant. Complainant believes and hereon alleges that throughout the applicable period, Employer employed, in total, one hundred (100) to two hundred (200) similarly situated non- exempt employees throughout California.

Labor Code Violations

Recordkeeping Requirement Violations: California Labor Code § 1174 requires employers to keep "accurate and complete" payroll records showing, among other things, the hours worked daily by all non-exempt employees. Section 6 of IWC Wage Order 16-2001 similarly requires employers to keep time records showing when the employees begin and end each work period and reflecting the time during which a meal and/or rest period was provided each day.

At all relevant times, Employer has failed, and continues to fail to keep the required time records. Employer did not provide and/or record Complainant and aggrieved employees' actual daily and weekly earned wages, including, but not limited to, overtime hours and wages, and meal and rest period premiums due and owing. In addition, Employer failed to keep accurate daily records of Complainant and other aggrieved employees' earnings for the bi-weekly pay period.

Employer's failure to keep "accurate and complete" payroll records for Complainant and other aggrieved employees violates Labor Code §§ 1174, 1198, 1199, and Wage Order 16-2001, § 6. These violations subject Employer to civil penalties under Labor Code §§ 1174.5, 1199, and 2699. Each violation of each Labor Code section and Wage Order provision, for each aggrieved employee, results in a separate civil penalty.[1]

Rest Period Violations: California law requires employers to provide non-exempt employees with a paid, duty-free ten (10) minute rest period for each four (4) hours worked, or a major fraction thereof. (IWC Wage Order 16-2001, § 11(A).) Employers must pay employees an additional hour of wages at the employee's regular rate of pay for each missed or improper rest period (e.g., less than 10 minutes, interrupted rest period(s), rest period(s) at improper time(s) during shifts). (Lab. Code § 226.7; IWC Wage Order 16-2001, § 11(D) ("If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided").)

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[1] See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

Employer did not maintain a company rest period policy and/or practice compliant with California law, and Employer frequently did not provide Complainant and other aggrieved employees with appropriate rest periods and compensate them for such periods. Employer did not completely relieve Complainant and aggrieved employees of all duties during said rest periods at all relevant times. Employer did not pay Complainant and aggrieved employees one additional hour of pay at their regular rate of compensation for each workday that one or more statutory rest periods were not provided.

The aforementioned conduct resulted in violations of Labor Code §§ 226.7, 558, 558.1, 1198-1199, and IWC Wage Order 16-2001, § 11(A). These violations subject Employer to civil penalties under Labor Code §§ 226.7, 1199 and 2699. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each aggrieved employee for each pay period during which the referenced statutes and Wage Order provisions were violated.

<u>Meal Period Violations</u>: California law requires employers to provide non-exempt employees with a meal period of not less than thirty (30) minutes during which the employees must be relieved of all duties. Employers are further required to provide a second meal period of not less than thirty (30) minutes to employees for a work period of more than ten (10) hours per day, except that if the total hours worked is no more than twelve (12) hours in a day, the second meal period may be waived by mutual consent of the employer and the employee only if the first period is not waived. (Labor Code §§ 226.7, 512 and IWC Wage Order 16-2001, § 10.) Employers must pay an additional hour of wages at the employee's regular rate of pay for each missed or improper meal period (e.g., less than 30 minutes, interrupted meal period(s), on-call meal period(s), meal period(s) at improper time(s) during shift(s)). (Labor Code §§ 226.7, IWC Wage Order 16-2001, § 10(F).)

Employer did not maintain a company meal period policy and/or practice compliant with California law, and Employer frequently did not provide Complainant and other aggrieved employees with appropriate meal periods and compensate them for such periods. Employer did not completely relieve Complainant and aggrieved employees of all duties during said meal periods at all relevant times. Employer did not pay Complainant and aggrieved employees one additional hour of pay at their regular rate of compensation for each workday that one or more statutory meal periods were not provided.

The aforementioned conduct results in violations of Labor Code §§ 226.7, 512, 558, 558.1, 1198-1199, and IWC Wage Order 16-2001, § 10. These violations subject Employer to civil penalties under Labor Code §§ 226.7, 1199 and 2699. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each aggrieved employee for each pay period during which the referenced statutes and Wage Order provisions were violated.

<u>Overtime Violations</u>: California law requires employers to pay overtime to non-exempt employees equal to one and one-half times the regular hourly rate of pay for each hour worked beyond eight (8) hours per workday and each hour worked beyond forty (40) hours per work

week. (Lab. Code § 510; IWC Wage Order 16-2001, § 3(A).) Employers must pay overtime equal to double the regular hourly rate of pay for each hour worked beyond twelve (12) hours per workday and for all hours worked in excess of eight (8) hours on the seventh consecutive day of work in a work week. (*Ibid*.) Notwithstanding an agreement to work for a lesser wage, any employee receiving less than the legal overtime compensation is entitled to recover the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney's fees, and costs of suit. (Labor Code § 1194(a).)

Employer violated California Labor Code § 510 because it failed to pay Complainant and other aggrieved employees all overtime compensation for work more than eight (8) hours per day and/or forty (40) hours per week during their employment. Complainant and other aggrieved employees would regularly work in excess of fifty (50) hours per week, often working ten (10) to eighteen (18) hour days, including weekends. Complainant and aggrieved employees were often required by Employer to begin work as early as 7:00 a.m. and throughout the work week until approximately 6:00-11:00 p.m. or later. Complainant would have to spend additional time waiting for drivers to arrive at the work site. However, drivers would record their clock-in time as the same time as the traffic controllers, regardless of when the traffic controller arrived at work. As a result, traffic controllers spent several minutes every day working off-the-clock while waiting for drivers to arrive. Traffic controllers also worked off-the-clock several hours per week when they would drive between worksites. Traffic controllers would also often not be paid for meal and/or rest periods they did not take, due to their supervisors relying on inaccurate time records kept by drivers. Therefore, Defendant failed to pay aggrieved employees for all overtime hours worked.

This conduct results in violations of Labor Code §§ 510, 558, 558.1, 1194, 1198-1199, and IWC Wage Order 16 -2001, § 3(A). These violations subject employer to civil penalties under Labor Code §§ 558 and 2699, and Wage Order 16-2001, § 18. Each violation of each Labor Code section and Wage Order provision results in a separate civil penalty, for each aggrieved employee, for each pay period during which the referenced statutes and Wage Order provisions were violated.[2]

<u>Wage Statement Violations</u>: California law requires every employer semi-monthly or at the time of each payment of wages to furnish each of his, her, or its employees with an accurate itemized wage statement in writing that contains the following: (1) gross wages earned; (2) total hours worked by the employee; (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; (4) all deductions; (5) net wages earned; (6) the inclusive dates of the period for which the employee is paid; (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number; (8) the name and address of the legal entity that is the

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[2] See Lab. Code § 2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period"); Lab. Code § 558 (establishing that the civil penalty is "for each underpaid employee for each pay period for which the employee was underpaid"); IWC Wage Order 16-2001, § 18 (establishing that "any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalties… In addition, violation of any provision of this order shall be subject to a civil penalty… for each underpaid employee for each pay period during which the employee was underpaid…").

employer; and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. (Lab. Code § 226.)

As a result of Employer's violations of various Labor Code and Wage Order provisions, as discussed herein, Employer failed to provide accurate wage statements with respect to multiple categories set forth in Labor Code § 226, and therefore Employer violated §§ 226(a), 226.3, 558, 558.1, and 1199. Amongst other violations as it relates to complainants and other aggrieved employees, Employer failed to accurately itemize net wages earned, gross wages earned, failed to list total hours worked, failed to list all applicable hourly rates and hours worked at those respective rates, failed to list the number of hours working at applicable hourly rates, earnings and time worked at their respective hourly rates, and failed to accurately list all premium pay in lieu of missed meal and rest periods. These violations subject Employer to civil penalties under Labor Code §§ 226(e), 226.3,1199, and 2699. Each violation results in a *separate* civil penalty, for each aggrieved employee, for each pay period during which the statute provisions were violated.[3]

<u>Final Pay Violations</u>: Labor Code § 201 makes it unlawful for an employer to fail to pay its employees all wages due and payable immediately upon termination. (Labor Code § 201(a).) Labor Code § 202 makes it unlawful for an employer to fail to pay its employees all earned wages due and payable within 72 hours of the employee's resignation, unless the employee has given 72 hours previous notice of his/her resignation, in which case the employee is entitled to all earned wages at the time of quitting. (Labor Code § 202(a).) Employer has not paid Complainant and aggrieved employees all wages earned and unpaid at the time of separation, in that Employer has not paid for: (1) time during which meal and rest periods were not provided/valid, for all hours worked, and unpaid overtime wages. These violations subject Employer to civil penalties under Labor Code §§ 203, 256, 558, 558.1, and 2699. Each violation results in a *separate* civil penalty, for each aggrieved employee for each pay period during which the statute provisions were violated.

<u>Standard Conditions of Labor Violations</u>: Together, Labor Code §§ 1198 and 1199 make unlawful the employment of any employee under conditions of labor prohibited by the Wage Orders, and any violation, refusal, or neglect to comply with any provision within Part 4, Chapter 1 of the Labor Code, including §§ 1174, 1197, and 1198, or order or ruling of the commission. Therefore, Employer's violations with respect to meal periods, rest periods, overtime wages, wage statements, and failure to keep accurate time records result in separate violations of §§ 1198 and 1199, which subject Employer to civil penalties under Labor Code §§ 1197.1 and 2699.

<u>Non-Timely Payment of Wages Violations</u>: Labor Code § 204 provides, in pertinent part:

> "All wages, other than those mentioned in Section 201, 202, 204.1, or 204.2, earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays. Labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between

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[3] See Lab. Code § 226.3 (establishing that the civil penalty is "per employee per violation").

> the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month. … Notwithstanding any other provision of this section, all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period."

Employer violated Labor Code § 204 because it failed to timely pay all earned wages to Complainant and aggrieved employees and failed to establish regular paydays per code. The wages earned and unpaid include, but are not limited to, payment for all hours worked, overtime wages, and premium payment owed in lieu of missed meal and rest periods. As a result of Employer's violation, Employer is liable for civil penalties as follows: $100 for any initial violation and failure to pay each employee, $200 for each subsequent violation and failure to pay each employee, plus twenty-five percent (25%) of the amount unlawfully withheld. (Labor Code § 210.)

<u>Business Expense Violations</u>: Labor Code § 2802 makes it unlawful for an employer to fail to indemnify his or her employees for all necessary expenditures or losses incurred by the employee as a direct consequence of the discharge of his or her duties. (Labor Code § 2802(a).) All awards made by the court for compensation to the employee of unreimbursed business expenses shall accrue interest at the same rate as judgments in civil actions. (Labor Code § 2802(b).)

Employer violated Labor Code § 2802 because it failed to indemnify Complainant and other aggrieved employees for their necessary losses and expenditures incurred in direct consequence of the discharge of their duties. Employer failed to indemnify and/or reimburse Complainant and other aggrieved employees for costs including, but not limited to, steel-toed work boots, gas mileage reimbursement, and vehicle maintenance. Employer's failure subjects it to civil liability and penalties pursuant to Labor Code §§ 2699, 558, and 558.1.

<u>Conclusion</u>: Employer has violated the above-referenced California Labor Code provisions, as well as other laws, and is liable for all applicable premium wages, all applicable declaratory/injunctive relief, statutory and civil penalties, interest, attorneys' fees, and costs. The civil penalties Complainant and other aggrieved employees seek to recover include, but are not limited to, the statutory and civil penalties specified above.

Labor Code § 2699.3 requires that a claimant send a certified letter to the employer in question and file online with the Labor Workforce Development Agency setting forth the claims and the basis for the claims, thereby giving the Labor Workforce Development Agency an opportunity to investigate the claims and/or take any action it deems appropriate.

The purpose of this letter is to satisfy the requirement created by Labor Code §§ 2699, 2699.5, and 2699.3(a)-(c) prior to seeking penalties and premium wages allowed by law for the aforementioned statutory violations in a civil action. We look forward to determining whether the Labor Workforce Development Agency intends to take any action in reference to these claims. We kindly ask that you respond to this notice according to the time frame contemplated by the code.

If the Labor Workforce Development Agency elects not to take any action with respect to any of the foregoing claims, Complainant will seek these penalties in a civil action, on behalf of himself and all other similarly situated California-based non-exempt aggrieved employees within the statutory time period, as allowed by law.

Please advise if your office intends to investigate any of the factual and legal allegations and provide notice within sixty days of this notice to our office and to that of other charged parties. Thank you for your attention to this matter. If you have any questions, please contact me at the phone number or address below:

Marquee Law Group, A.P.C.
c/o Gary S. Brotman, Esq.
9100 Wilshire Blvd.
Ste. 445 East Tower
Beverly Hills, CA 90212
T: (310) 275-1844 | F: (310) 275-1801
E: gary@marqueelaw.com

We thank you in advance for your attention to this matter.

Sincerely,

Gary S. Brotman
MARQUEE LAW GROUP, APC
Gary@marqueelaw.com

EXHIBIT 3

Tuvia Korobkin <tuvia@marqueelaw.com>

Fwd: Thank you for submission of your PAGA Case.

1 message

[redacted] [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

---------- Forwarded message ---------
From: **LWDA DO NOT REPLY** <lwdadonotreply@dir.ca.gov>
Date: Tue, Oct 10, 2023 at 5:07 PM
Subject: Thank you for submission of your PAGA Case.
To: nancy@marqueelaw.com <nancy@marqueelaw.com>

10/10/2023

LWDA Case No. LWDA-CM-986940-23
Law Firm : Marquee Law Group, APC
Plaintiff Name : Jefferson Rodriguez
Employer: Statewide Traffic Safety and Signs, Inc.
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

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Rodriguez PAGA Notice.pdf
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