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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO-CENTRAL DIVISION

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|---|---|
| MICHELLE JACKSON and ERICA AUGUSTIN, individually and as aggrieved employees pursuant to the Private Attorneys General Act ("PAGA") on behalf of the State of California and similarly situated employees,<br><br>Plaintiffs,<br><br>vs.<br><br>ALLIANT INTERNATIONAL UNIVERSITY, INC., a California corporation; and DOES 1 through 50,<br><br>Defendants. | Case No.: 37-2023-00043742-CU-OE-CTL (Consolidated with Case No.: 37-2024-00002100-CU-OE-CTL)<br><br>**DECLARATION OF THOMAS D. RUTLEDGE ISO PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS AND PAGA ACTION SETTLEMENT**<br><br>Judge: Hon. Joel R. Wohlfeil<br>Dept.: 73<br>Hearing Date: April 4, 2025<br>Hearing Time: 9:00 a.m.<br><br>Complaint Filed: October 9, 2023<br>Trial Date: November 7, 2025<br>Discovery Cutoff: NA<br><br>[Not. of Mot., [Proposed] Order, and Mem. of P&As filed concurrently herewith] |

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## DECLARATION OF THOMAS D. RUTLEDGE

I, THOMAS D. RUTLEDGE, declare and state as follows:

1. I am counsel of record for the named Plaintiffs and the putative Class, indirectly for the Aggrieved Employees, and a quasi-assistant attorney general for the State of California (Plaintiffs) via the PAGA in this matter. As such, I am fully familiar with the facts, pleadings, and history of this matter. The following facts are within my own personal knowledge, and if called as a witness, I could testify competently to the matters stated herein.

2. This declaration is submitted in support of Plaintiffs' Motion for Preliminary Court Approval of Class and PAGA Settlement per the terms of the Class Settlement Agreement, a true and correct copy of which is attached hereto and marked as **Exhibit 1**.

**My Experience Handling Class and Representative Actions.**

3. The Law Office of Thomas D. Rutledge consists of me, several paralegals, and various support staff during all times relevant to this litigation.

4. At all times, I have been the only attorney of record in the above-entitled action for the Plaintiffs.

5. I am the originating attorney and the person exclusively responsible for prosecuting this case.

6. I have had the privilege of practicing law for 30 years.

7. I have served the public my whole adult life.

8. Before practicing law, from about April 1987 to April 1994 at the age of 21, I proudly served in the U.S. Army National Guard in various capacities: first, as a Private First Class in a combat engineer's unit; and in 1990, after receiving my commission from the Commonwealth of Massachusetts's State Officers' Candidate School, as a field artillery officer, mortar platoon leader, and infantry company executive officer in the Commonwealth of Pennsylvania (1992-1994) and Massachusetts (1987-1992) Army National Guard.

9. In 1990, I received a B.A. in History and Political Science from the University of Massachusetts, Boston, Massachusetts.

10. In 1992, I received a C.S.S. in Management and Administration from Harvard University, Cambridge, Massachusetts.

11. In 1995, I received a J. D. from Temple University and became a member of the State Bars of Florida and Massachusetts.

12. In 1999, I obtained admission to the California Bar.

13. I am a former active member in the San Diego County Bar Association (and several committees therein, such as the Labor and Employment Law Section, Litigation Section, and Family Law Section), a current member of the California Employment Lawyers Association, Consumer Attorneys of San Diego (CASD), and a former member of the National Employment Lawyers Association.

14. I am the former Co-Chairman to the San Diego County Bar Association Labor and Employment Law Section.

15. I am a former Board of Director for CASD (served 2013-2016).

16. I am a former U.S. Navy Judge Advocate General's (JAG) Corps attorney.

17. From 1995 to 2002, I served in various capacities on active duty as a prosecutor, defense attorney, and staff judge advocate in the U.S. Navy JAG Corps handling hundreds of criminal and civil litigation matters and personally preparing and filing more than 5000 state and federal tax returns.

18. I served a total of 20 years in the U.S. military retiring from the U.S. Naval Reserve in 2008.

19. From 2002 to 2004, I was a litigation associate at Christensen, Miller, Fink, Jacobs, Glaser, Weil & Shapiro LLP in Los Angeles, California, a firm of more than 100 lawyers at that time, working on complex litigation.

20. From 2004 to 2009, I was a litigation associate for Branton & Wilson, APC, a firm of more than 15 lawyers at the time, working mostly on employment law

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matters (defense and plaintiff).

21. From 2009 to the present, I have focused my practice exclusively on prosecuting employment law claims on behalf of employee-plaintiffs, with a very small amount of my practice devoted to personal injury, landlord-tenant, and family law matters.

22. All my employee-plaintiffs' cases, including this case, are accepted on a nothing down contingency fee basis.

23. I personally have represented thousands of class members and aggrieved employees in over three dozen class and/or representative (Private Attorney General Act) actions prosecuting wage and hour claims, more than 20 of which were certified as class actions. *See, e.g.*, *Julio, et al. v. Express Tires*, S.D. Superior Court Case No.: 37-2010-00097801; *Epton v. ADP TotalSource, et al.*, U.S.D.C. Case No.: 11cv0856-JM; *Tuter, et al. v. King's Seafood Company, LLC, et al.*, San Diego Superior Court Case No.: 37-2011-00084756; *Crosby v. CHMB*, San Diego Superior Court Case No.: 37-2011-0087583-CU-OE-CTL; *Diego v. JMS Properties LLC, et al.*, San Diego Superior Court Case No.: 37-2013-00056177-CU-0E-CTL; *Mitchell, et al. v. Phone Ware Inc., et al.*, San Diego Superior Court Case No.: 37-2014-00008449-CU-OE-CTL; *Long, et al. v. Stanley Black & Decker, Inc., et al.*, U.S.D.C. Case No.: 14CV1246 JLS BGS; *Villagrana v. 7-Eleven*, San Diego Superior Court Case No.: 37-2014-00008449-CU-OE-CTL; *Parnell, et al. v. Harte-Hanks Shoppers, Inc., et al.*, Orange Superior Court Case No.: 10-2014-00736236-CU-OE-CXC; *Martz v. T.R.L. Systems, Inc.*, San Bernardino Superior Court Case No.: CIVDS1515312; *Rosentein v. Pratt and Whitney, et al.*, U.S.D.C. Case No.: 15CV2183 JM/JLB; *Don v. Penn*, San Diego Superior Court Case No.: 37-2016-00025005; *Ramirez v. Coastal Trans. Serv.*, San Diego Superior Court Case No.: 37-2016-00020248; *Velez v. CoWorx Staffing Services LLC*, San Bernardino Superior Court Case No.: CIVDS1803229; *Martz v. HCI Systems Inc.*, San Bernardino Superior Court Case No.: CIVDS1607545, *Babouchian, et al. v. Soleil Communications Inc., et al.,* San Diego Superior Court

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Case Number: 37-2017-00044756-CU-OE-CTL (Hon. Richard S. Whitney), and many others.

24. I have attended dozens of lectures presented by legal professionals on the topic of prosecuting class action litigation in the last 25 years, I have tried wage and hour cases in Superior Court and in AAA and JAMS private arbitrations, I have appeared before the Labor Commissioner on scores of wage claims, and I have handled the representation of parties in dozens of mediations before well-known mediators, such as Mark Rudy, Jeff Ross, Mike Dickstein, David Rotman, Robert Kaplan, and Judge Herbert B. Hoffman (Ret.).

**Relevant Facts of the Case and Procedural History.**

25. Plaintiff Jackson is a highly educated African American woman who worked for Defendant for more than ten years in various high level exempt positions.

26. Plaintiff Jackson, and many other employees like her at Alliant University, worked for the Defendant almost exclusively from home for a period of time following the pandemic where she was required to pay for her home utilities, internet, phone service, and incur a number of work-related expenses with the right to obtain $50 a month from the Defendant.

27. Plaintiff Jackson contends her work record was superb.

28. On August 18, 2023, however, Jackson was involuntarily terminated by Defendant after Defendant accused her of doing something it believed was improper, claims that Plaintiff Jackson denies and instead maintains Defendant's termination was unlawful and retaliatory.

29. In August 2023, Plaintiff Jackson retained this office shortly after Defendant her involuntary termination.

30. This office thereafter obtained Plaintiff Jackson's payroll records and employee personnel file and began investigating the merits of Plaintiff's claims.

31. Plaintiff Jackson introduced a number of Defendant's current and former employees to my office, many of whom allowed my office to obtain their personnel

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files and payroll records.

32. All the witnesses I spoke with confirmed Plaintiff Jackson's allegations of Labor Code violations.

33. On October 9, 2023, Plaintiff Jackson, via my office, filed notice with the LWDA to get this case started by exhausting Plaintiff's administrative remedies and on the same day, commenced this PAGA and class action alleging the following claims: (1) Failure to Pay State Minimum/Regular Wages via PAGA only; (2) Failure to Pay State Overtime Wages via the PAGA only; (3) Failure to Comply with Meal Break Laws via the PAGA only; (4) Failure to Comply with Rest Break Laws via the PAGA only; (5) Failure to Reimburse Business Expenses in Violation of California Labor Code § 2802 via the PAGA and as a class claim; (6) Failure to Provide Accurate Wage Statements via the PAGA only; (7) Failure to Pay Wages Timely via the PAGA only; (8) Failure to Provide and Maintain Employee Personnel Records via the PAGA only; and (9) Violations of Various Miscellaneous Provisions of the Labor Code via the PAGA. ROA #1.

34. Shortly after commencing Plaintiff Jackson's litigation, Ms. Erica Augustin asked this office to represent her.

35. Defendant employed Plaintiff Augustin from about April 1, 2013 to January 21, 2022 in various nonexempt administrative positions.

36. Plaintiff Augustin likewise worked remotely and witnessed the same Labor Code violations that Plaintiff Jackson suffered plus many of her own that were applicable to all of Defendant's nonexempt employees.

37. On January 11, 2024, Plaintiff Augustin commenced a wage and hour class action on behalf of all nonexempt employees. *See* Case No.: 37-2024-00002100-CU-OE-CTL, ROA #1.

38. This complaint alleges virtually the same causes of action that Plaintiff Jackson's litigation asserts except they are all class claims, not just claims via the PAGA.

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39. Plaintiffs, via counsel, moved quickly in serving discovery, interviewing witnesses, and gathering evidence in support of their class claims.

40. In the spring of 2024, following a series of detailed discussions between the parties via counsel regarding, among other things, Plaintiffs' intended amendments to the complaints, certification motion preparation, among other things, the parties agreed to attend private mediation.

41. The parties subsequently agreed to put a hold on litigation pending private mediation.

42. Through the foregoing process, the parties conducted a significant investigation of the facts and law.

43. Such discovery and investigation includes: (1) the Plaintiffs' analysis of the sampling of Class and Aggrieved Employee payroll data the Defendant provided, including size and composition, applicable employment policies of the Defendant, and payroll and time records for approximately reasonable number of current and/or former employees statewide, involving a large number of pages of policies and documents, excel spreadsheets, electronic wage statements, and other records, (2) analysis of legal positions taken by the Defendant, (3) interviews of material witnesses and receipt and review of their personnel files and payroll records, (4) calculation and analysis of potential damages and penalties based on the data produced by Defendant, and (5) research and analysis of applicable law with respect to the claims alleged and potential defenses thereto.

44. This information was critical for our analysis of liability and damages.

45. My office devoted a substantial amount of time in evaluating the data, interviewing witnesses, and preparing for mediation and, if unsuccessful, getting ready for trial.

46. Before the mediation, the Parties submitted detailed briefs outlining our respective positions.

47. On December 4, 2024, the parties attended a full day mediation before

Hon. Steven R. Denton (Ret.), a reputable private mediator.

48. At the conclusion of the mediation, the mediator made a mediator's proposal that the parties accepted about one week later.

49. Over a three-month period, the Parties negotiated the terms of the Class Settlement, which they executed in the first week of March 2025.

50. One of the Settlement terms requires the consolidation of the *Augustin* case with the *Jackson* case. Ex. 1, ¶ I.6.

51. Consolidation of the *Augustin* case with the *Jackson* case will make the settlement process go smoother because the Court will only need to review one consolidated complaint instead of reviewing each of the complaints filed in the respective cases, among other reasons.

52. On March 7, 2025, the Parties filed a joint stipulation with the Superior Court to satisfy this requirement. *See* **Ex. 2**.

53. If the Court has not yet reviewed the joint stipulation before the hearing on this Motion, the Parties respectfully request that the Court sign the proposed order in conjunction with the relief sought in this Motion. *See* **Ex. 2** (proposed order).

**Filings with the LWDA.**

54. During all times relevant, my office has taken the required steps to keep the LWDA informed and to exhaust all of Plaintiffs' administrative remedies.

55. In particular, for example, on October 9, 2023, I personally filed the original notice with the LWDA and was issued LWDA Case No.: 986769-23 as the case number for this case.

56. On January 22, 2024, Plaintiffs, via my office, filed an amended notice with the LWDA adding Plaintiff Augustin as a plaintiff.

57. I likewise filed these moving papers with the LWDA before I sent these papers for filing via Onelegal.

58. To date, the LWDA has provided no notice to the Parties of their intent to get involved in this case whatsoever.

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**Reasons this Settlement is Fair and Reasonable.**

59. After taking into account the factual and legal issues involved in this action, the risks and substantial expenses involved in the further prosecution of this case, and the substantial benefits to be received pursuant to the compromise and settlement of this action, as set forth in the Settlement Agreement, that settlement on the terms set forth herein is in the best interest of the State, the named Plaintiffs, and the Class and Aggrieved Employees is fair and reasonable.

60. My office and the named Plaintiffs understand the risks inherent in litigation -- most significantly the defenses raised by the Defendant and the limited number of Class Members and Aggrieved Employees directly impacted by all the alleged Labor Code violations.

61. My office and the named Plaintiffs are likewise aware of the problems posed by potentially differing claims and methods of proof among the many hundreds of Class Members and Aggrieved Employees.

62. In light of the risks related to Defendant prevailing on an anticipated motion for summary judgment or at trial, or both, the recovery obtained in the case for the released claims, including the settlement amount payable to the LWDA and the Class and Aggrieved Employees for the PAGA claims, is fair and reasonable.

63. In assessing whether the amount of compensation the Class would get from the Settlement, I took into the consideration the Court's inherent power to balance the amount in penalties we could recover under the PAGA with the nature and extent of the Labor Code violations we could ultimately prove.

64. During the Parties' settlement discussions, the Parties explored all aspects of this litigation, including Defendant's defenses to liability and class certification.

65. I knew if we did not settle, Defendant would file a number of dispositive motions arguing its policies are lawful, telling the Court that Plaintiffs' claims had no merit, and, after losing, appealing the Court's decisions.

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66. Of notable importance, this Settlement was reached only after extensive arm's-length settlement negotiations that took place over a period of no less than nine months.

67. My office spent a large amount of time reviewing the random sampling Defendant provided, comparing Class Member records, creating and using excel spreadsheets to calculate damages, and distinguishing and highlighting Plaintiffs' best claims from their worst.

68. Based on my review of the available evidence, I estimated that if Plaintiffs proved every claim for every Class Member at trial--a prospect that would have been highly unlikely now that I know a whole lot more about this case--that Defendant's maximum exposure would be approximately $9,691,498, as summarized in the table below:

| Claim | Total Pay Periods | Penalty | PAGA Penalty | Class Damages | PAGA Penalties |
|---|---|---|---|---|---|
| Min. Wage/Reg. Pay Violations | N/A | N/A | $200.00 | $359,880 | $156,000 |
| OT Pay Violations | | N/A | $200.00 | $359,880 | $156,000 |
| Meal Break Violations | 7,800 | N/A | $200.00 | $194,910 | $327,600 |
| Rest Break Violations | 7,800 | N/A | $200.00 | $194,910 | $327,600 |
| Wage Statement Violations | 7,800 | $200.00 | $200.00 | $80,325 | $327,600 |
| Unreimbursed Business Expense Violations | 25589 | $666.00 | $100.00 / $200.00 | $343,123 | $5,117,800 |
| Waiting Time Penalties | N/A | $7200.00 | $500.00 | $226,800 | $14,070 |
| **TOTAL** | | | | $1,759,828 | $7,931,670 |

69. As to the Plaintiffs' minimum wage and overtime claims, however, based on our review of the random sampling, this claim only affected about 1% of the nonexempt workers; these workers appeared to have suffered from reporting time pay claims, a situation where an employee is required to report to work as scheduled but is not given a full shift or any work at all.

70. Additionally, we also uncovered a small number (less than 1%) of split

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shift claims, i.e., where an employee's work schedule was divided into two distinct periods within the same workday separated by a break that is longer than a normal meal break.

71. Notwithstanding the foregoing, this office interviewed a number of Alliant's teaching assistants (TAs) and student tutors (STs), who complained about a variety of wage claims.

72. TAs/STs, for example, are paid via work study at minimum wage and are told to work a fixed set of hours they cannot exceed.

73. The hours that Alliant allocates, however, are not enough to allow TAs/STs to complete their jobs professionally.

74. These workers, who strive to do the best for the students, therefore, work a significant number of unreported hours for which they are uncompensated.

75. This is the only example of a subset of Alliant's workers who claim they worked off-the-clock, however.

76. Only a small number of the putative Class are TAs/STs.

77. The overtime claims are derivative of the off-the-clock claims that TAs/STs experienced, no one else as far as we can tell from our case investigation.

78. While Plaintiffs currently lack evidence of a substantial amount of minimum wage and overtime violations, we acknowledge that such claims often emerge in the later parts of litigation.

79. As the class list becomes available, the potential for more employees to disclose incidents of minimum wage violations significantly increases.

80. Notwithstanding the foregoing, the above figures for this claim are discounted, based on a 1% violation rate found in our case investigation before mediation, the calculations for this claim are discounted by this number in percentage terms of the maximum; the value of Class Members' off-the-clock wage claims is also substantially discounted by the fact that proof of such claims depends almost exclusively on anecdotal evidence.

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81. As to the Plaintiffs' meal break claims, this claim is based on my office's review of the Defendant's meal and rest break policies and the random sampling provided by the Defendant.

82. Accordingly, the above figures for meal break claims are based on a 21% violation rate found in the sampling that Defendant provided before mediation where we found approximately 2,636 missed meal break violations in 2022 and 2023 alone; thus, all calculations above are discounted by this number in percentage terms of the maximum.

83. Defendant maintains, however, that it mistakenly provided records from the an employee who did not reside in California, which Defendant corrected. In addition, the repetitive meal break violations we found in the random sampling were endemic to only a handful of Defendant's employees, and were thus an anomaly.

84. As to the Plaintiffs' rest break claims, our evidence is purely anecdotal.

85. There are no records that prove missed rest breaks since those are not records that employers are required to maintain.

86. We based our rest break claims on findings for the meal break claim since a survey of the class has not been conducted yet; thus, the calculations above for this claim are based on the numbers for the meal break claim and are discounted in the same way.

87. As to the Plaintiffs' unpaid reimbursement claim under Cal. Lab. Code § 2802, the claim in this case that I believe has the most merit, our value for this claim is based on the monthly average cost of cell phones of $141 per month (*See* https://www.allconnect.com/nloh/average-cost-of-cellphone-plan), substantially discounted by personal use of the phone compared to work-related use. *See Cochran v. Schwan's Home Services, Inc*., 228 Cal. App. 4th 1137, 1140 (2014) (the reimbursement amount is a reasonable percentage of the employee's phone bill).

88. Additionally, the claim value is based on the monthly average cost of internet of $89.00 per month (*See* https://www.usnews.com/360-

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reviews/services/internet-providers/isp-cost-speedsurvey-report).

89. Lastly, we use those figures with the following averages to get to the value of the Plaintiffs' unpaid reimbursement claim:

(1) Average hours in a month is 720 hours;

(2) Average hours in a month spent awake is about 480 hours (with about 240 hours spent sleeping);

(3) Average hour workweeks for a remote worker is about 160 hours in a month (40 hour workweeks multiplied by 4); and

(4) Average percentage remote workers used work-related assets for work-related purposes is about 33% (160 hours divided by 480 hours).

90. The value we get from these calculations is discounted by the amount per month the Defendant provided for remote work ($50 for the employees who requested reimbursements).

91. Per the Defendant's remote work policy, employees that receive the amount of $50 meant they worked remotely five days in a week.

92. Thus, we estimated that the average remote employee working five days a week remotely is owed another $310.80 each year and $1,243.20 over a four-year period.

93. Therefore, we estimated class damages for the unreimbursed expense claim to be about $343,123 (276 x $1,243.20).

94. While Plaintiffs' unpaid reimbursement claim under Cal Lab. Code § 2802 was the motivating factor in the filing of this litigation, we know this claim would face serious challenges at trial.

95. For example, the Defendant argues the amount it provided for its reimbursement to remote employees is a reasonable amount for their employees' home internet and phone bill and complies with the Labor Code, and that Defendant's policy permitted employees to seek additional reimbursement upon submission of

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invoices/receipts.

96. Defendant further argues that it provides workers with all the tools they need to perform their work, such as computers, headphones, and similar equipment, and if they needed more equipment, all the workers had to do was ask.

97. Defendant likewise disputes Plaintiffs' claim that they can recover money for their home utilities pursuant to Labor Code § 2802.

98. While we believe the Defendant's arguments will not prevail, there is no published case law that says employers must reimburse its remote employees for their utilities paid for work purposes (a lack of case law is probably because most of these cases settle).

99. Accordingly, we discounted this claim considerably for settlement purposes in percentage terms of the maximum based on the arguments the Defendant raised.

100. As to the Plaintiffs' wage statement claim under Labor Code § 226, this claim is derivatively based on Defendant's failure to show records of meal break premiums being paid in the same pay periods as missed meal breaks.

101. In assessing Plaintiffs' wage statement claim, we assessed liability rate of about 21%, which factors into our meal break violations we saw in the sampling data; thus, the calculation for the value of this claim is discounted by this number in percentage terms of the maximum.

102. As to the Plaintiffs' Labor Code § 203 claim, of the 681 Class Members, 150 are former employees – i.e., those who left employment with Defendant during the class period.

103. The average rate of pay for Defendant's employees was about $30.

104. Thus, the average waiting time penalty per former employee is about $7,200 for a total value of this claim of more than $226,800.

105. Based on the foregoing, Plaintiffs estimate Defendant's total exposure for the Labor Code class claims to be about $1,759,828 assuming no defenses and

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100% success on all claims.

106. But we knew that recovering the maximum amount from the Defendant for Plaintiffs' Labor Code §§ 203 and 226 claims would be hotly contested by the Defendant, who argues we must prove "willfulness" as to § 203 and "injury" as to § 226.

107. These and many other defenses Defendant raised and continue to assert played a large part in the settlement amount accepted by the Plaintiffs.

108. This Settlement provides the net sum of about $268,000 to the Class, which is about 78% of the estimated best-case outcome for Plaintiffs' underpayment of reimbursements claim.

109. As for Plaintiffs' last class claim, i.e., their Business and Professions Code §§ 17200, *et seq*. claim, the goal of this claim is merely to extend the statute of limitations to four years based on Plaintiffs' right to seek restitution. *See Cortez v. Purolator Air Filtration Products Co.*, 23 Cal. 4th 163 (2000) (California Supreme Court held that unpaid wages could be recovered as restitution under the UCL, and that the UCL's four-year statute of limitations applies to such claims, even if the underlying wage claim would be subject to a shorter limitations period).

110. Thus, my office did not attribute any independent value to Plaintiffs' Business and Professions Code §§ 17200, *et seq*. claim other than to be allowed to add another year to the Labor Code Claims.

111. As for Plaintiffs' PAGA claims, we recognize that PAGA penalties are left to the court's discretion to award per the Labor Code, which provides "based on the facts and circumstances of a particular case" when "to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory" as stated in Lab. Code § 2699(h).

112. A court can award the maximum amount of PAGA penalties, award nothing, or award somewhere in the middle depending on the circumstances.

113. In reducing PAGA penalties, I knew that courts have considered issues

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including whether the employees suffered actual injury from the violations, whether the defendant was aware of the violations, and the employer's willingness to fix the violation. *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504, 528 (2018) (awarding PAGA penalties of only 0.2% of the maximum); *see also Cotter v. Lyft, Inc.*, 193 F. Supp. 3d 1030, 1037 (N.D. Cal. 2016); *Fleming v. Covidien Inc.*, No. ED CV 10-01487 RGK (OPX), 2011 WL 7563047, at *4 (C.D. Cal. Aug. 12, 2011).

114. Further, I know that courts evaluate factors such as whether the employer's violations were harmless, whether the violations occurred because the employer simply lacked awareness of the violations, whether the employer took prompt measures to comply with the law upon being notified of its violations, and the employer's inability to pay. *See Thurman v. Bayshore Transit Mgmt., Inc.*, 203 Cal. App. 4th 1112, at 1135-36 (2012) (affirming a 30% reduction of a PAGA award where employer was not financially able to pay the penalties); *Liv. A Perfect Day Franchise, Inc.*, 2012 WESTLAW 2236752, *15 (N.D. Cal., 2012) (denying PAGA penalties for violation of California Labor Code § 226 as redundant with recovery on a class basis of wage statement penalties pursuant to California Labor Code§ 226(e)); *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504 (2018) (upholding a lower court's significant reduction of PAGA penalties); *Kaanaana et al. v. Barrett Business Services Inc.*, Case No. BC496090 (Super Ct. Los Angeles Cty., Cal.) (reducing PAGA penalties from $409,950 to $53,294 after finding the maximum statutory penalty amount to be unjust, arbitrary, oppressive, or confiscatory); *Aguirre v. Genesis Logistics*, 2013 WESTLAW 10936035, *3 (C.D. Cal. 2013) (reducing PAGA penalty for past wage statement violations by nearly 75% where the full penalty amount would have been punitive and PAGA penalties were largely duplicative of wage statement penalties); *Fleming v. Covidien, Inc.*, 2011 WESTLAW 7563047, *4 (C.D. Cal. 2011) (reducing PAGA penalties by more than 80% where the "aggrieved employees suffered no injury due to the erroneous wage statements, and made no complaint of the errors or omissions contained therein prior 25 to filing suit.").

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115. Considering the issues, defenses, and the risks, a $15,000 settlement for a release of PAGA penalties is fair and just result and furthers the PAGA's main objective of causing the employer to comply with the Labor Code.

116. I also believe, as do most courts, that it is better to put more money into the hands of the actual victims, i.e., Class Members, instead of the LWDA.

117. By this Agreement and based on the foregoing representations by the Defendant that the Class consists of approximately 300 nonexempt employees, 381 exempt employees, and 426 Aggrieved Employees within the PAGA Period, I estimate that on average, nonexempt and exempt Settlement Class Members are expected to receive approximately **$450** and **$354**, respectively, from the Net Settlement Amount, which sum may be more or less depending on how long the Class Member worked during the Class Period.

118. By this Agreement and based on the foregoing representations by the Defendant, I also estimate the average payout per employee will be about **$8.80** per employee ($15,000*0.25/426), which sum may be more or less depending on how long the Aggrieved Employee worked during the PAGA period—and the State will get about **$11,250** ($15,000*0.75).

119. In light of the foregoing, I strongly believe the recovery obtained in this case is not just fair and reasonable, but excellent.

**The Requested Class Enhancement Payments are Reasonable.**

120. The named Plaintiffs very respectfully requests $5,000 each as an Enhancement payment, and $5,000 each to the named Plaintiffs for their Civil Code § 1542 release payments.

121. The named Plaintiffs played a vital role in this litigation and have the right to receive an Enhancement Award for their services as the representatives of the Settlement Class and for the risks assumed by serving as named Plaintiffs, such as liability for costs and stigma to their reputation for suing a former employer.

122. Defendant does not oppose the requested Enhancement Awards.

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123. While the details of Plaintiffs' services will be briefed more fully when Plaintiffs file their Motion Seeking Attorneys' Fees, Costs, and Enhancement Awards for the Plaintiffs during the final approval process, I can attest that Plaintiffs spent considerable time assisting my office in the case, was well aware of their duties of serving the putative Class, how they always put their duty to the putative Class over their own interest, and how they likewise were negatively affected by the class claims asserted in this case.

124. The named Plaintiffs spent hours communicating with my office frequently, providing us documents, names of witnesses, locations where events took place, and were invaluable participants in the strategy for and success of the settlement negotiations.

125. Plaintiffs also risked having to succumb to extensive discovery and to the payment of costs if they lost this case.

126. Plaintiffs also assumed the risk of retaliation in their industry for suing a former employer.

127. Via this settlement, Plaintiffs will cause members of the Settlement Class to receive money they otherwise would not have received but for this litigation.

128. Because the requested Enhancement Payments are reasonable, Plaintiffs very respectfully requests the Court to preliminarily approve the Enhancement Award.

129. The named Plaintiffs also very respectfully request $5,000 apiece as consideration for their Civil Code § 1542 release.

130. The foregoing amounts are fair and reasonable because the named Plaintiffs maintain they have individual claims, e.g., Civ. Code § 1786, *et seq*., wrongful/constructive termination claims, etc., the total value of which for each Plaintiff would well exceed $50,000 if their individual cases (after filing them in separate lawsuits) went to trial.

**Class Counsel's Proposed Fees and Costs are Reasonable.**

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131. Per the Settlement, my office will seek, and Defendant does not oppose, an award of fees not to exceed 1/3rd of the gross settlement and actual litigation costs not to exceed $10,000.

132. The requested fees and costs are fair compensation for undertaking complex, risky, expensive, and time-consuming litigation solely on a contingency basis.

133. Further, the requests are in line with other attorneys' fees awards in California for wage and hour putative class actions. *Laffitte v. Robert Half Int'l Inc.*, 1 Cal. 5th 480 (2016).

134. As will be demonstrated in Plaintiffs' Counsel's moving papers, which will be filed concurrently with Plaintiffs' Motion for Final Approval, Plaintiffs' Counsel's requested fees are also consistent with his lodestar.

**The Settlement Administrator's Estimated Costs are Reasonable.**

135. Per the Settlement, the Parties mutually agree to hire and pay Phoenix Settlement Administration $7,000 from the Gross Settlement to handle the administration of this case.

136. Phoenix Settlement Administration has been in business for more than ten years in this field and has handled hundreds of Class and PAGA settlements. www.phoenixclassaction.com.

137. Phoenix Settlement Administration was selected from more than three companies who provided quotes to do this case, and its quote, a copy of which is attached as **Exhibit 3**, was the lowest.

**Class Notice.**

138. Attached as **Exhibits A** to **Exhibit 1** is a copy of the draft notices we request the Court to approve following preliminary approval of the settlement.

139. This Notice, in my opinion, sufficiently informs the Class of the nature of the case, the claims Class Members are releasing, how to exclude themselves from the Class, among other things.

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**Conclusion.**

For all the foregoing reasons, the parties very respectfully request this Court to judicially approve the Class Settlement and sign the [Proposed] Order filed herewith.

Except as to those matters made upon information and belief, I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this day of March 11, 2025, in San Diego, California

*/s/Thomas D. Rutledge*______________
Declarant

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# Exhibit 1

# CLASS ACTION SETTLEMENT AGREEMENT

This Class Action Settlement Agreement (hereinafter the "Agreement") is made by Plaintiffs Michelle Jackson and Erica Augustin (Employees or "Plaintiffs"), individually and on behalf of all members of the Settlement Class (as defined below) and the Class Members (as defined below), on the one hand, and Defendant Alliant International University, Inc. ("Defendant"), on the other hand, with as third-party beneficiaries all Released Parties, as defined below in Paragraph II.25. Plaintiffs and the Defendant will, at times, be collectively referred to herein as "the Parties."

## I. THE LITIGATION.

**1.** On October 9, 2023, Plaintiff Michelle Jackson filed an individual, class, and Private Attorney General Act (PAGA) complaint in the San Diego County Superior Court entitled *Michelle Jackson, et al. v. Alliant International University, Inc., et al.,* which case was assigned Case number 37-2023-00043742-CU-OE-CTL (the Jackson Complaint). The Jackson Complaint, as subsequently amended on May 30, 2024, asserts claims against the Defendant on behalf of Plaintiff Jackson and other current and former employees. These claims include (a) failure to pay minimum/regular wages; (b) failure to pay overtime wages; (c) failure to comply with meal break laws; (d) failure to comply with rest break laws; (e) failure to reimburse business expenses; (f) failure to provide accurate wage statements; (g) failure to pay wages timely; (h) failure to provide and maintain accurate payroll records; (i) remedies under the Bus. & Prof. Code §§ 17200, *et seq*; and (j) violations of various miscellaneous provisions of the Labor Code via the PAGA.

**2.** On January 11, 2024, Plaintiff Erica Augustin filed an individual and class complaint in the San Diego County Superior Court entitled *Erica Augustin, et al. v. Alliant International University, Inc., et al.,* which case was assigned Case number 37-2024-00002100-CU-OE-CTL (the Augustin Complaint). The Augustin Complaint asserts similar claims as the Jackson Complaint against the Defendant and was deemed related to the Jackson Complaint by the Court.

**3.** The Parties engaged in substantial investigation and informal discovery in connection with the Litigation. The Defendant warrants and represents that it provided Plaintiffs true and correct documents and accurate information to counsel for Employees to review and analyze, including wage and hour policies, reimbursement data for current and former employees for the Settlement Period, current and former employee counts for the Settlement Period, and a 20% random sampling of non-exempt Alliant staff payroll and time entry data.

**4.** On December 4, 2024, the Parties, through counsel, attended a full day of mediation with Hon. Steven R. Denton (Ret.). The Parties made progress in negotiating towards a settlement. Mediator Steven R. Denton made a mediator's proposal of $480,000. The Parties ultimately agreed to the mediator's proposal about one week later.

**5.** This Agreement concerning the settlement is made in compromise of disputed claims. The payment by the Defendant required by this Agreement shall satisfy all claims that were or could have been alleged in the Litigation, including but not limited to claims for wages, civil and statutory penalties, and interest, and shall include payment for PAGA penalties, individual settlement awards, attorneys' fees, litigation costs and expenses, an enhancement payment for the Class Representatives, and all settlement administration costs.

**6.** To facilitate this settlement, the Parties agree to enter a mutually agreeable stipulation to consolidate the Jackson and Augustin Complaints into one case and will agree to allow Plaintiffs to file one amended consolidated Complaint under Case Number Case number 37-2023-00043742-CU-OE-CTL.

**7.** Because this is a putative class action, this Agreement must receive preliminary and final approval by the Court. Accordingly, the Parties enter into this Agreement on a conditional basis. In the event the Court does not enter Final Judgment, or in the event such Final Judgment does not become Final for any reason, or is modified in any material respect, or in the event the Effective Date, as defined herein, does not occur, this Agreement shall be deemed null and void *ab initio* and shall be of no force or effect whatsoever, and shall not be referred to or utilized for any purpose and the Parties shall return to the positions they each held as of the day prior to signing this Agreement. The Defendant denies all claims asserted by

Employees as to liability and damages as well as class allegations. Indeed, the Defendant does not waive, but rather expressly reserves all rights to challenge all such claims and allegations upon all substantive and procedural grounds including the assertion of any and all defenses, if the Final Judgment does not become Final for any reason, or in the event that the Effective Date does not occur.

## II. DEFINITIONS.

The following are certain definitions applicable to this Agreement. Definitions contained elsewhere in the body of this Agreement shall also be effective.

**1.** "Aggrieved Employee" – means all individuals employed by Defendants in California during the Relevant PAGA Time Period.

**2.** "Class Member(s)" – means all individuals employed by Defendants in California during the Settlement Period.

**3.** "Class Counsel" – means Thomas D. Rutledge, Esquire of the Law Office of Thomas D. Rutledge.

**4.** "Class Counsel Attorneys' Fees" – refers to the amount awarded to Class Counsel by the Court for prosecuting and obtaining a settlement of the Litigation.

**5.** "Class Counsel Attorneys' Costs" – refers to the amount awarded to Class Counsel by the Court for their actual costs incurred in prosecuting and obtaining a settlement of the Litigation.

**6.** "Class Representatives Enhancement" – means the sum to be paid to Plaintiffs as service for their role as Class Representatives, which shall be paid from the Gross Settlement Fund.

**7.** "Defendant" – means Alliant International University, Inc.

**8.** “Effective Date” – means the date by which both of the following have occurred: (a) this Settlement is finally approved by the Court; and (b) the Court’s Order Approving Class Settlement and Dismissing the Class Action with Prejudice (“Final Judgment”) becomes Final.

**9.** “Final” – means the latest of: (a) if there is an appeal of the Court’s Final Judgment in the Litigation, the date of final disposition of the of the matter or (b) if one or more objections are submitted and not withdrawn, the expiration date of the time for filing or noticing any appeal of the Final Judgment; or (c) if no objections are made, then 30 days after the Court enters the Final Judgment.

**10.** “Final Judgment” – refers to the Final Judgment and Order Approving Class Settlement.

**11.** “Final Approval Hearing” – means the hearing to be conducted by the Court to determine whether to enter the Final Judgment finally approving and implementing the terms of this Agreement.

**12.** “Gross Settlement Fund” – refers to $480,000, which is the maximum amount the Defendant and Released Parties shall be required to pay under this Agreement, except as otherwise provided with respect to the employer’s share of payroll taxes, which Defendant shall pay separate and apart from the Settlement Amount.

**13.** “Litigation” – means, collectively, the actions entitled *Michelle Jackson, et al. v. Alliant International University, Inc., et al., Case No.* 37-2023-00043742-CU-OE-CTL, and *Erica Augustin, et al. v. Alliant International University, Inc., et al., Case No.* 37-2024-00002100-CU-OE-CTL, and specifically includes any additional actions filed in any jurisdiction by Plaintiffs Michelle Jackson and Erica Augustin, which alleges any of the facts or allegations in any of the prior complaints.

**14.** “LWDA” – means the California Labor and Workforce Development Agency.

**15.** “Motion for Preliminary Approval” – refers to the Motion for Preliminary Approval of the Settlement and its supporting papers.

**16.** “Net Settlement Fund” – means the Gross Settlement Fund, less the following: (a) Class Counsel Attorneys’ Fees; (b) Class Counsel Attorneys’ Costs; (c) Class Representatives Enhancement and Full Release payments; (d) Settlement Administration Expenses; and (e) PAGA Payments to the LWDA.

**17.** “Notice” or “Notice Packet” – refers to the Notice of Pendency of Putative Class Action, Proposed Settlement and Hearing Date for Court Approval, and Settlement Allocation Form, which form will be prepared jointly by the Parties and included with the Motion for Preliminary Approval.

**18.** “Order Granting Preliminary Approval” – refers to the order or statement of decision preliminarily approving the Settlement.

**19.** “PAGA” – means the California Labor Code Private Attorneys General Act of 2004 as codified at Labor Code §§ 2698, 2699, *et seq*.

**20.** “PAGA Time Period” – means the time period from October 10, 2022 to the date of preliminary approval.

**21.** “Total PAGA Payment” – means the portion of the Gross Settlement Fund that the Parties have designated as representing the recovery of civil penalties on behalf of the Settlement Class under the Labor Code Private Attorneys General Act of 2004. This amount has been identified as $15,000. The Total PAGA Payment is divided into the “PAGA Payment to the LWDA” (75%, $11,250) and the “PAGA Payment to Aggrieved Employees” (25%, $3,750).

**22.** "Parties" – means Employees individually and in their capacity as Class Representatives and quasi representatives of the state government of California under the PAGA/LWDA, on the one hand; and the Defendant, on the other hand.

**23.** "Plaintiffs" – means Michelle Jackson and Erica Augustin individually and in their capacity as Class Representatives and quasi representatives of state government of California under the PAGA.

**24.** "Preliminary Approval Hearing" – means the hearing to be conducted by the Court to determine whether to grant the Motion for Preliminary Approval.

**25.** "Released Parties" – means Alliant International University, Inc. ("Alliant"), including all of their past, present and future officers, directors, shareholders, partners, managers, employees, agents, and assigns, all past, present and future parent, and subsidiary entities and all past, present and future officers, directors, shareholders, partners, managers, employees, agents, and assigns of such parent and subsidiary.

**26.** "Relevant Time Period" – means October 10, 2019 to the date of preliminary approval of this Agreement.

**27.** "Settlement" – means the settlement of the Litigation and related claims effectuated by this Agreement.

**28.** "Settlement Administration Expenses" – means those expenses of effectuating and administering the Settlement, *i.e.*, the costs incurred by the Settlement Administrator, the costs of giving notice to the Class, the costs of administering and disbursing the Net Settlement Fund, and the fees of the Settlement Administrator approved by the Court.

**29.** "Settlement Administrator" – means Phoenix Class Action Administration Solutions, or any other third-party administrator selected by the Parties and approved by the Court to effectuate the Settlement.

**30.** "Settlement Class" and "Settlement Class Members" – means all those persons who are members of the Class and who have not properly and timely opted out of the Litigation.

**31.** "Settlement Payments" – means the amounts to be paid from the Net Settlement Fund to individual Settlement Class Members.

**32.** "Settlement Period" – means the period from October 9, 2019 to the date of preliminary approval of this Agreement.

## III. RELEASE OF CLAIMS.

### 1. Scope of Settlement Class Member Release.

**a.** In exchange for the consideration described through this Settlement, the Settlement described herein will resolve fully and finally all wage and hour and related claims that were brought or could have been brought in the Litigation, including, but not limited to, any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, actions or causes of action which are alleged, or reasonably could have been alleged based on the facts and claims asserted in the Litigation, including without limitation to, claims for restitution and other equitable relief, claims for unpaid minimum wages, wages, and overtime wages, failure to provide rest periods or meal periods or to provide compensation in lieu thereof, meal period penalties, rest period penalties, waiting time penalties, claims for incomplete payroll records and wage statements, failure to timely pay final wages, failure to reimburse for business expenses, unfair business practices, wage statement violations, failure to provide accurate wage statements, failure to maintain required records, claims for declaratory relief, accounting, or injunctive relief, civil penalties brought under the PAGA on behalf of the LWDA, claims for penalties of any nature whatsoever arising out of the Settlement Class Members' Released Claims, or any other benefit claimed on account of allegations and claims which are reasonably related to the allegations and claims asserted in the Litigation, including any amendment to the pleadings therein.

**b.** The Scope of Settlement and the release of claims herein is intentionally intended by the Parties to be as broad as possible and include "all claims," which is expressly intended by the Parties to "includ[e] 'claims that are not expressly enumerated in the release'" as recognized by the Court of Appeal in *Villacres v. ABM Industries, Inc.,* 189 Cal. App. 4th 562, 587 (2010) (acknowledging broad waiver of potential claims, including PAGA-based claims). Thus, the Parties intend this release to cover all claims for relief of any kind based on the allegations raised by Plaintiffs in the Litigation and all transactions and occurrences upon which those claims were based, including all legal remedies and damages brought under state, local or federal law, any claim brought pursuant to the common law, all injunctive remedies and restitution, all statutory damages and civil penalties sought on behalf of the LWDA under the PAGA (including, but expressly not limited to relief demanded for alleged violations of Labor Code subdivision (k) of § 96, §§ 98.6, 201, 201.5, 201.7, 202, 203, 203.1, 203.5, 204, 204a, 204b, 204.1, 204.2, 205, 205.5, 206, 206.5, 208, 209, and 212, subdivision (d) of §§ 213, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 226, 226.3, 226.6, 226.7, 227, 227.3, 230, 230.1, 230.2, 230.3, 230.4, 230.7, 230.8, 231, subdivision (c) of § 232, subdivision (c) of § 232.5, §§ 233, 234, 245-249, 351, 353, 403, subdivision (b) of § 404, §§ 432, 432.2, 432.5, 432.7, 435, 450, 510, 511, 512, 513, 551, 552, 558, 601, 602, 603, 604, 750, 751.8, 800, 850, 851, 851.5, 852, 921, 922, 923, 970, 973, 976, 1021, 1021.5, 1025, 1026, 1101, 1102, 1102.5, 1153, 1174, 1182.12, 1194, 1194.2, 1197, 1197.5, 1198, 1198.3, 1199.5, 1290, 1292, 1293, 1293.1, 1294, 1294.1, 1294.5, 1296, 1297, 1298, 1301, 1308, 1308.1, 1308.7, 1309, 1309.5, 1391, 1391.1, 1391.2, 1392, 1683, and 1695, subdivision (a) of § 1695.5, §§ 1695.55, 1695.6, 1695.7, 1695.8, 1695.9, 1696, 1696.5, 1696.6, 1697.1, 1700.25, 1700.26, 1700.31, 1700.32, 1700.40, 1700.47, 1735, 1771, 1774, 1776, 1777.5, 2651, and 2673, subdivision (a) of § 2673.1, §§ 2695.2, 2698, 2699, 2751, 2800, 2801, 2802, 2804, 2806, and 2810, subdivision (b) of § 2929, and §§ 3073.6, 6310, 6311, and 6399.7 as well as alleged violations of IWC Wage Orders, the California Labor Code, California Business & Professions Code § 17200 *et seq.*, or any other source thereof, and all costs and attorneys' fees related thereto, including those available under Code of Civil Procedure section 1021.5.

**2. Conditional Agreement to Class Treatment.**

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

**b.** Any individual(s) who elects to exclude himself or herself from the Settlement Agreement and the terms thereof will not be able to benefit from any of the terms of the class settlement and shall not have the benefit of the limited waiver on class and/or collective claims including, but expressly not limited to the Parties' waiver of any claims or defenses against class-wide and other collective relief, statute of limitations defenses, and defenses that would preclude the certification or establishment of any class of aggrieved or similarly situated claimants. The Parties expressly recognize there has been no finding in this action that class-wide or other collective relief is justified under the facts and circumstances relating to the allegations raised by Employees in the Litigation. Indeed, there is sharp dispute between the Parties as to whether class-wide or other collective relief would be available or appropriate because the facts and circumstances relating to the allegations raised by Employees do not support class treatment because of questions of commonality, typicality, etc. No member of the Class (including any who choose to exclude himself or herself from the Settlement) may rely on this Settlement Agreement or the terms thereof as they may be applied to other members of the Class as a basis for seeking to bring any existing or future class allegation or other claim.

**3. Scope of the Named Plaintiffs' Release.**

**a.** For the purpose of implementing a full and complete release of their claims against Released Parties, Plaintiffs expressly acknowledge that the releases given in this Settlement Agreement are intended to include, without limitation, any and all claims that Plaintiffs may have against Released Parties, **including but not limited to** those claims that Plaintiffs did not know or suspect to exist in their favor at the time of the effective date of this Settlement Agreement, regardless of whether the knowledge of such claims, or the facts upon which they might be based, would materially have affected the settlement of this matter; and that the consideration given under this Settlement Agreement, including Defendant's agreement to the Full Release Payments to Plaintiffs, was also for the release of those claims and contemplates the extinguishment of all known, and any unknown, claims. Plaintiffs make this complete release of claims, waiving any rights provided to them under California Code of Civil Procedure § 1542, which provides as follows:

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

## IV. ALLOCATION OF GROSS SETTLEMENT FUND.

The Gross Settlement Fund will be allocated as follows:

1. **Net Settlement Fund.** The Settlement Administrator shall first deduct from the Gross Settlement Fund the amounts approved by the Court for the Class Counsel Attorneys' Fees, Class Counsel Attorneys' Costs, the Settlement Administration Expenses, Class Representatives Enhancement and Full Release payments and the PAGA Payment to the LWDA. The remaining amount shall be known as the "Net Settlement Fund," which shall be distributed as described below in Paragraph VIII.1 of this Stipulation of Settlement.

2. **PAGA Distribution.** $15,000 of the Gross Settlement Fund has been set aside by the Parties and designated as civil penalties pursuant to PAGA. Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or $11,250, will be the PAGA Payment to the LWDA. The remaining

twenty-five percent (25%), or $3,750, will be payable as the "PAGA Payment to Aggrieved Employees," as described below. (*See* Paragraph VIII.2.)

**3. Attorneys' Fees and Costs.**

**a.** The Parties agree that Class Counsel will request an award of attorneys' fees as class counsel of up to one-third (1/3rd) or $159,984 of the Gross Settlement Fund, and the Defendant and Released Parties agree not to contest any request for fees up to that amount. Should the Court approve less than the requested amount, such reduced approval shall not be grounds for revocation or rescission of this Settlement. Class Counsel may elect to have the Settlement Administrator, directly or indirectly, disperse all or part of his attorneys' fees award paid to him in periodic payments, through a structured settlement. Class Counsel will bear any and all costs, fees, and expenses of administration for any periodic payments of such award and shall be fully responsible for any taxes, costs, liabilities, attorneys' fees, and/or penalties resulting from any issues, claims, and/or disputes arising out of, related to, or incurred in connection with any such periodic payments, including without limitation, any such issues, claims, and/or disputes brought by the state or federal government concerning the payment of taxes thereon. Class Counsel shall indemnify, defend, and hold Released Parties harmless for any and all taxes, costs, liabilities, attorneys' fees, and/or penalties resulting from any issues, claims, and/or disputes arising out of, related to, or incurred in connection with any such periodic payments. To the extent the Court approves any award for attorneys' fees that does not equal 1/3rd of the Gross Settlement Fund, Class Counsel retains the right to appeal the Court's award. Should Class Counsel appeal the Court's award, the difference between the amount awarded and the amount disputed on appeal shall be retained by the Settlement Administrator pending Class Counsel's appeal. After resolution of any appeal, any funds not awarded to Class Counsel then in possession of the Settlement Administrator will be added to the Net Settlement Fund for distribution to Settlement Class Members by the Settlement Administrator on a proportional basis relative to the size of their settlement shares, in accordance with other administration and distribution requirements hereunder, and Class Counsel shall pay any additional costs incurred by the Settlement Administrator for this purpose. The Parties agree that the Court's approval of any request for attorneys' fees and costs is not a condition of the Settlement Agreement and that an award of less than the amounts requested would not give rise to a basis for Plaintiffs or their counsel to abrogate the Settlement Agreement. Plaintiffs acknowledge that they have been advised by this writing of the proposed award of fees associated with this Settlement and hereby consents thereto.

**b.** Class Counsel may also request reimbursement of up to $10,000 in actual and/or anticipated costs and other expenses incurred in connection with this action and the achievement of this settlement. 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, responses to any intervenors and any appeals necessitated by those objections or intervenors. Should the Court approve less than the requested amount, such reduced approval shall not be grounds for revocation or rescission of this Settlement.

**4. Class Representation Enhancement and Full Release Payments.** Up to $5,000, each, shall be allocated from the Gross Settlement Fund in recognition of the contributions of Plaintiffs Michelle Jackson and Erica Augustin, as enhancement awards. Plaintiffs participated actively in the preparation and prosecution of this action, and the contributions in time and risk by Plaintiffs were instrumental in achieving the settlement result. The Class Representatives' Enhancement is in addition to the payment to which Plaintiffs have the right to receive as a member of the Settlement Class. Court approval is required for any Class Representatives Enhancement, and the Parties agree that they will provide information and documentation to support the approval of the requested enhancement. However, even in the event that the Court reduces or does not approve the requested Class Representatives Enhancement, Employees shall not have the right to revoke this settlement for that reason, and the settlement will remain binding. In exchange for a general release of claims per Civil Code § 1542 provided herein by the Plaintiffs, each Plaintiff shall additionally receive a Full Release Payment of $5,000 apiece as they are waiving unknown claims against Released Parties, provided they have also signed, and not revoked, their individual general release agreements.

**5. Settlement Administration Expenses.**

**a.** The Parties have agreed to engage a third-party administrator to administer this Settlement. Defendant shall deposit the Gross Settlement Fund ($480,000) with the Settlement Administrator within twenty-eight (28) calendar days of the date of the Court's Order granting Final Approval or, solely in the event that there are any objections to the settlement (the filing of an objection being a prerequisite to the filing of an appeal), the later of: (i) the last date on which any appeal might be filed or (ii) the successful resolution of any appeal(s)—including expiration of any time to seek reconsideration or further review. A separate amount for employer payroll taxes based on the amount allocated to wages will also be deposited by Defendant with the Settlement Administrator at the time above.

**b.** All costs of the Settlement Administrator and settlement administration, which are anticipated to be no greater than $15,000 will be drawn from the Gross Settlement Fund.

## V. SETTLEMENT ADMINISTRATION PROCEDURE.

**1. Conforming the Pleadings.** As a condition of this Settlement, Plaintiffs agree to consolidate the Augustin case into the Jackson case file and allow Plaintiffs to file a Second Amended Complaint in the California Superior Court to conform the pleadings to the discussions of allegations and liabilities between the Parties, as described above in connection with the scope of the claims released (*see* Part III, *supra*). The Litigation pending in the Superior Court County of San Diego shall not be dismissed unless and until this Settlement becomes Final.

**2. Motion for Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties and the filing of the Second Amended Complaint in California Superior Court, Plaintiffs shall promptly apply to the Court for the entry of an Order:

**a.** Conditionally certifying the Settlement Classes for purposes of this Settlement Agreement;

**b.** Appointing Thomas D. Rutledge, Esquire of the Law Office of Thomas D. Rutledge as Class Counsel;

**c.** Appointing Michelle Jackson and Erica Augustin as the Class Representatives;

**d.** Approving Phoenix Class Action Administration Solutions or another entity, as Settlement Administrator;

**e.** Preliminarily approving this Settlement and its terms as fair, reasonable, and adequate;

**f.** Approving the form and content of a Notice Packet and directing the mailing of same; and

**g.** Scheduling a Final Approval hearing.

## VI. NOTICE TO SETTLEMENT CLASS.

1. **Notice Timing and Distribution.** Submitted with the motion for preliminary approval will be draft Notice documents intended to provide efficient notice to members of the Settlement Class as follows:

**a.** Within ten (10) calendar days after entry of an order preliminarily approving this Agreement, the Defendant and Released Parties will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, the dates of employment, and the number of work weeks worked by each Settlement Class member during the Class Period (the "Class Data"). The Class Data shall be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator.

**b.** Within five (5) calendar days from receipt of this information, 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 member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Settlement Award for each Settlement Class member; and (iv) 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.** Any Notice Packets returned to the Settlement Administrator as non-delivered 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 five (5) calendar days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall immediately resend the Notice Packet to the Settlement Class member. 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. It will be conclusively presumed that, if an envelope so mailed has not been returned within thirty (30) days of the mailing, the Settlement Class member received the Notice Packet. Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have twenty (20) calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to submit a Request for Exclusion, Objection, or dispute. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline. 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 shall not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or the Defendant's attorneys to provide notice of the proposed settlement.

**2. Options Upon Notice.** The Notice to Settlement Class will inform members of the Settlement Class of their options, including the following:

**Notice of Settlement Award and Deadline to Dispute.** Each Notice Packet mailed to a Settlement Class member shall disclose the amount of the Class Member's estimated Settlement Award as well as the Class Member's number of work weeks worked during the Relevant Time Period. Class Members will have the opportunity, should they disagree with these records regarding the information stated in the Notice of Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. The postmark date for the dispute shall be the exclusive means used to determine whether a dispute has been timely submitted. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Court shall determine the eligibility for, and the amounts of, any Settlement Awards under the terms of this Settlement Agreement, if the Parties cannot reach an agreement.

**a. Requests for Exclusion.**

**(1)** Any Class Member who wishes to opt-out of the class settlement must complete and mail a Request for Exclusion to the Settlement Administrator within forty-five (45) calendar days of the date of the initial mailing of the Notice Packets (the “Response Deadline").

**(2)** The Notice Packet shall state that Class Members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Class Member; (2) contain a statement that the Class Member wishes to be excluded from the class settlement; (3) be signed by the 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 be deemed invalid for exclusion from the class settlement, except a Request for Exclusion not containing a Class Member’s telephone number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Class Member who requests to be excluded from the class settlement will not have the right to any recovery under the Settlement provisions and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon, although the PAGA settlement and release provisions will apply to each Aggrieved Employee without any option for exclusion, and each such individual shall have the right to his or her share of the PAGA Distribution. Any Class Member who does not submit a Request for Exclusion is automatically deemed a Settlement Class Member; there is no requirement that any claim form be submitted.

**(3)** If ten percent (10%) or more of the Settlement Class members validly request exclusion from the class settlement, the Defendant may, at its sole discretion, elect to revoke this Settlement and its stipulation to class certification by communicating that decision to both the Settlement Administrator and Class Counsel, provided however, the Defendant will be responsible for any costs and fees incurred by the Settlement Administrator. If the number of work weeks between the start of the class period through the date of filing the motion for preliminary approval increases by more than 10% from the estimates Defendant provided to Plaintiffs to induce this settlement, which was 84,307 work weeks, there will be a pro rata increase to the Settlement Amount for any additional work weeks from the start of the class period through the date of filing the motion for preliminary approval.

**(4)** The Parties and their counsel agree not to take any action to initiate any contact with any Class Member to opt out of and/or object to the Settlement.

**b.** **Objections.** Settlement Class members who do not request exclusion may object to this Settlement Agreement within forty-five (45) calendar days of the date of the initial mailing of the Notice Packets (the "Response Deadline"), as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and counsel for the Defendant, as well as file all such objections with the Court). Counsel for the Defendant and Class Counsel shall file any responses to objections prior to the Final Approval Hearing. To be valid, any objection must: (1) contain the objecting Class Member's full name, last four digits of his or her Social Security Number, telephone number and current address; (2) include all objections and the factual and legal bases for same; (3) include all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) be postmarked no later than the Response Deadline.

## VII. FINAL ORDER AND JUDGMENT.

**1.** Upon final approval of the Settlement, a Final Order and Judgment shall be entered by the Court which shall, among other things:

**a.** Grant final approval to the Settlement as fair, reasonable, adequate, in good faith and in the best interests of the Class as a whole, and to order the Parties to carry out the provisions of this Agreement.

**b.** Award amounts for Class Counsel Attorneys' Fees, Litigation Costs and Expenses, the Class Representatives Enhancement and Full Release, and Settlement Administration Expenses.

**c.** Adjudge that the Settlement Class Members are conclusively deemed to have released the Defendant and the Released Parties of and from any and all rights, claims, demands, liabilities, causes of action, liens and judgments arising out of or in any way related to the matters within the scope of the Litigation, consistent with the release provisions herein.

**d.** Bar and permanently enjoin each Settlement Class Member from prosecuting against the Defendant and Released Parties any and all of the Released Claims which the Settlement Class Members have arising out of, based upon, or otherwise related to the Litigation.

**e.** Confirm that the Parties' resolution of claims under the PAGA meets all required standards and that the release of such claims as set forth in this Settlement precludes the State of California or any other representative thereof (including any other aggrieved employee) from pursuing claims released herein on behalf of itself or any aggrieved employee affected by this Settlement and its release terms.

**f.** Except for the PAGA claims, dismiss this action without prejudice as to all putative Class Members who are not Settlement Class Members.

**g.** Dismiss this action with prejudice as to all Settlement Class Members on all claims including the PAGA.

**2.** The Court shall reserve continuing jurisdiction as required to effectuate the provisions set forth herein.

**3.** In the event that this Agreement is not approved by the Court, fails to become effective, or is reversed, withdrawn, or modified by the Court or any other court with jurisdiction, this Agreement shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible in connection with, further proceedings. In the event of the Court's non-approval, Plaintiffs and Defendant agree to timely meet and confer in good faith to address any reasons the trial court may have declined to approve the settlement to achieve approval of the settlement upon re-submission to the Court. Failure of the Court to grant approval will be grounds for the Parties to terminate this Settlement Agreement and the terms of this Settlement Agreement, except that the Parties shall each be responsible for 50% of the costs of, and any payments due to, the Settlement Administrator for non-cancellable services performed up to that time.

**4.** In the event an appeal is filed from the Final Order for any reason, or any other appellate review is sought, the duties and obligations of the Parties to this Agreement include the duty to defend the approval on any appeal.

## VIII. DISTRIBUTION OF SETTLEMENT PROCEEDS.

### 1. Net Settlement Fund.

**a.** As noted above, Settlement Class members are not required to submit a claim form to receive a payment from the Settlement.

**b.** <u>Allocation of the Net Settlement Fund</u>: 50% of the Net Settlement Proceeds will be distributed to each nonexempt Settlement Class Member based on each Settlement Class Member's pro rata share of the total number of work weeks within the Relevant Time Period he or she worked. Similarly, 50% of the Net Settlement Proceeds will be distributed to each exempt Settlement Class Member based on each Settlement Class Member's pro rata share of the total number of work weeks within the Relevant Time Period he or she worked. Defendant shall have the duty to distinguish exempt and nonexempt Settlement Class Members when providing the contact information to the Settlement Administrator. For each individual, their share is calculated as the number of work weeks worked by the individual within the Relevant Time Period for the Defendant or any Released Party divided by the total number of work weeks worked by all Settlement Class Members during the Relevant Time Period.

**2. PAGA Payment to Aggrieved Employees.**

**a.** $15,000 of the Gross Settlement Fund has been designated as civil penalties under the PAGA, of which 25% ($3,750) shall be distributed to Aggrieved Employees, as part of the Net Settlement Fund. Each Aggrieved Employee shall receive a portion of the PAGA Payment to Aggrieved Employees proportionate to the number of work weeks that he or she worked during that time period, which shall be calculated by multiplying the PAGA Payment to Aggrieved Employees by a fraction, the numerator of which is each individual's number of work weeks worked during the PAGA Period, and the denominator of which is the total number of work weeks worked by all Aggrieved Employees during the PAGA Time Period.

**3. Distribution, Timing and Reporting.**

**a.** Within ten (10) calendar days following the deposit of $480,000 by the Defendant of the Gross Settlement Amount with the Settlement Administrator, the Settlement Administrator shall: (i) calculate Settlement Award amounts and provide the same to counsel for review and approval; (ii) upon approval by counsel, prepare and mail settlement awards, less applicable taxes and withholdings, to participating Settlement Class members and Aggrieved Employees; and, (iii) pay the withholdings to the applicable authorities with the necessary reports, submitting copies to counsel for the Defendant.

**b.** For purposes of calculating applicable taxes and withholdings, each Class Settlement Award shall be allocated as follows: four-fifths (4/5) as penalties, reimbursed expenses and interest; and one-fifth (1/5) as wages. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Note: The Settlement Administrator will also calculate the amount of employment taxes owed by the Defendant on the wage portion of the distribution, and the Defendant will provide the amount of such employment taxes separate and apart from the Gross Settlement Amount; this is the only element of costs or other expenses that is not taken from the Gross Settlement Amount. The Settlement Administrator will handle submission of employer-side employment taxes on behalf of the employer through a suitable power of attorney.

**c.** Class Representatives' Enhancement, Full Release Payments and the PAGA payment to the LWDA shall be paid within ten (10) calendar days of the deposit made by Defendant, provided the Class Representatives' have also signed, and not revoked, their individual general release agreements.

**4. Non-Reversionary Settlement.**

**a.** Each member of the Settlement Class who receives a settlement award, and all recipients of a PAGA Payment, must cash such checks within 180 days from the date of mailing by the Settlement Administrator. Any funds payable to Settlement Class members or Aggrieved Employees whose checks were not cashed within 180 days after mailing will be distributed in accordance with California law, including Code of Civil Procedure § 384. Any monies remaining in the distribution account shall be distributed to the Unclaimed Property Fund with the California State Controller's Office. The Defendant and administrator shall not bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks.

**b.** If any check issued to a Settlement Class Member or Aggrieved Employee is returned as undeliverable, the Settlement Administrator shall make reasonable efforts to locate the individual by conducting a National Change of Address Search and re-mail the check. After one hundred eighty calendar days (180) from the date of first issuance, all the checks shall become null and void, and any monies remaining in the distribution account shall be distributed to the Unclaimed Property Fund with the California State Controller's Office. The Parties agree that this disposition results in no "unpaid residue" under California Code of Civil

Procedure § 384, as the entire Net Settlement Fund will be paid out to Settlement Class Members, regardless of whether they all cash their Settlement Checks. Therefore, the Defendant will not be required to pay any interest on said amount.

## IX. MISCELLANEOUS TERMS.

1. **No Effect on Other Benefits.** The settlement shares will not result in any additional benefit payments (such as 401(k) or bonus) beyond those provided by this Agreement to Plaintiffs or Settlement Class Members, and Plaintiffs and Settlement Class Members will be deemed to have waived all such claims, whether known or unknown by them, as part of their release of claims under this Agreement.

2. **No Admission of Liability or Class Certification for Other Purposes.** The Defendant denies it has engaged in any unlawful activity, has failed to comply with the law in any respect, has any liability to anyone under the claims asserted in the Action, or that but for the Settlement a class should be certified in the Action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission of liability or wrongdoing by the Defendant or any Released Party, or an admission by Plaintiffs that any of the claims were non-meritorious or any defense asserted by the Defendant was meritorious. This Settlement and the fact that Plaintiffs and the Defendant were willing to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with effectuating the Settlement pursuant to this Agreement). Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code § 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code § 1152, and neither the Settlement, this Agreement, any document, statement, proceeding or conduct related to the Settlement or the Agreement, nor any reports or accounting of those matters, will be (i) construed as, offered or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Plaintiffs or the

Defendant, including, but not limited to, evidence of a presumption, concession, indication or admission by any of the Parties of any liability, fault, wrongdoing, omission, concession or damage; or (ii) disclosed, referred to or offered in evidence against any of the Parties in any further proceeding in the Action, or any other civil, criminal or administrative action or proceeding except for purposes of effectuating the Settlement pursuant to this Agreement. This section and all other provisions of this Agreement notwithstanding, any and all provisions of this Agreement may be admitted in evidence and otherwise used in any and all proceedings for the limited purpose of enforcing any or all terms of this Agreement or defending any claims released or barred by this Agreement.

**3. Waiver and Amendment.** The Parties may not waive, amend, or modify any material provision of this Settlement Agreement except by a written agreement signed by all the Parties, and subject to any necessary Court approval. Nonmaterial amendments or modifications to this Agreement, however, may be made in writing between Class Counsel and Defendant's Counsel without the need to seek the Court's approval or additional signatures of the Parties. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

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

**a.** If to Plaintiffs and the class:

Thomas D. Rutledge
Attorney-at-Law
16956 Via De Santa Fe, Suite 1847
Rancho Santa Fe, California 92091
Telephone: (619) 886-7224
thomasrutledgelaw@gmail.com

**b.** If to the Defendant:

Joanne Buser
Trentan Cunningham
Quarles & Brady LLP
101 West Broadway, Ninth Floor
San Diego, California 92101-8285
Telephone: (619) 237-5200
Facsimile: (619) 615-0700
joanne.buser@quarles.com
trent.cunningham@quarles.com

**5. Stay.** All proceedings in this action, other than proceedings necessary to carry out or enforce the terms and conditions of the Settlement, including moving for preliminary approval and final approval of this Settlement, are hereby stayed.

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

**7. Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts, by electronic signature (such as via Docusign) and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

**8. Authorization and Cooperation.** Class Counsel warrant and represent that they are authorized by Plaintiffs, for whom they are the attorneys of record, and the attorneys of record for the Defendant warrant and represent that they are authorized by the Defendant, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties agree to seek the assistance of the Mediator, and if agreement remains out of reach, the Court. In all cases, all such documents, supplemental provisions and assistance of the Court shall be consistent with this Agreement.

**10. Successors.** This Agreement shall be binding upon, and inure to the benefit of, the successors of each of the Parties.

**11. California Law.** All terms of this Agreement and its Exhibits shall be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.

**12. Representation by Counsel.** The Parties have each been represented by counsel and have cooperated in the drafting and preparation of this Agreement. This Agreement shall not be construed against any party on the basis that the party was the drafter or participated in the drafting.

Representative Plaintiffs

Dated: 2/18/2025

DocuSigned by:
Michelle Jackson
376CAEB17F30435...

MICHELLE JACKSON, individually and for the putative Class

Dated: 2/18/2025

Signed by:
Erica Augustin
FF9387E0E8D7470...

ERICA AUGUSTIN, individually and for the putative Class

Defendant ALLIANT INTERNATIONAL UNIVERSITY, INC.

Dated: ______________

______________________________

______________________________

For Defendant ALLIANT INTERNATIONAL UNIVERSITY, INC.

become necessary to effectuate the terms of this Agreement, the Parties agree to seek the assistance of the Mediator, and if agreement remains out of reach, the Court. In all cases, all such documents, supplemental provisions and assistance of the Court shall be consistent with this Agreement.

**10. Successors.** This Agreement shall be binding upon, and inure to the benefit of, the successors of each of the Parties.

**11. California Law.** All terms of this Agreement and its Exhibits shall be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.

**12. Representation by Counsel.** The Parties have each been represented by counsel and have cooperated in the drafting and preparation of this Agreement. This Agreement shall not be construed against any party on the basis that the party was the drafter or participated in the drafting.

Representative Plaintiffs

Dated: ______________ ______________________________
MICHELLE JACKSON, individually and for the putative Class

Dated: ______________ ______________________________
ERICA AUGUSTIN, individually and for the putative Class

Defendant ALLIANT INTERNATIONAL UNIVERSITY, INC.

Dated: 3/5/2025 ______________________________

Andy Vaughn, President & CEO
For Defendant ALLIANT INTERNATIONAL UNIVERSITY, INC.

# Exhibit A

**NOTICE OF PROPOSED CLASS ACTION AND PAGA SETTLEMENT**

***Jackson v. Alliant International University, et al.***
San Diego County Superior Court Case No. 37-2023-00043742-CU-OE-CTL

***Augustin v. Alliant International University, et al.***
San Diego County Superior Court Case No. 37-2024-00002100-CU-OE-CTL

**THIS IS A COURT-AUTHORIZED NOTICE. IT IS NOT A SOLICITATION.**
**PLEASE READ THIS NOTICE CAREFULLY.**
**YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT.**

| | |
|---|---|
| **To:** | **All current and former staff employees of Alliant International University who were employed in the State of California at any time from October 9, 2019, through [DATE] ("Class Members").** |

## BASIC INFORMATION

### 1. What is this settlement about?

A lawsuit was filed by Michelle Jackson, a former employee of Alliant International University, on October 9, 2023 in the San Diego County Superior Court, Case Number 37-2023-00043742-CU-OE-CTL. On January 11, 2024, Erica Augustin filed another lawsuit in the San Diego County Superior Court against Alliant International University, Case Number 37-2024-00002100-CU-OE-CTL. The two lawsuits are collectively referred to herein as the "Actions." Michelle Jackson and Erica Augustin are collectively referred to herein as "Plaintiffs." Alliant International University is herein referred to as "Defendant."

Plaintiffs claim in the Actions that Defendant violated sections of the California Labor Code and California Business and Professions Code. Plaintiffs specifically allege that Defendant failed to provide compliant meal and rest periods and associated premium pay, failed to pay employees minimum wage, did not properly pay employees all wages owed for time worked, did not timely pay all wages owed at termination of employment, failed to provide employees with accurate itemized wage statements, failed to keep accurate payroll records, failed to reimburse employees for necessary business expenses, and maintained unfair business practices. Plaintiffs claim that Class Members have the right to recover monetary damages, penalties, and restitution based on these violations. Plaintiffs also seek to recover civil penalties on behalf of aggrieved employees and the State of California based on these violations pursuant to the California Private Attorneys General Act ("PAGA"). Defendant denies all alleged violations and denies it owes Class Members any remedies. The Court has not made a ruling on the merits of the Actions.

### 2. Why is this a class action?

In a class action, one or more people called the Class Representative (in this case, Plaintiffs), sue on behalf of people who appear to have similar claims (in this case all current and former staff employees of Defendant who were employed in the state of California at any time from October 9, 2019, through [DATE]. All these people are referred to here as Class Members. In a class action, one court resolves the issues for all Class Members in one lawsuit, except for those who exclude themselves from the Class. The Superior Court for the County of San Diego ("Court") is in charge of these Actions.

### 3. Why is there a settlement?

The Court has not decided in favor of the Plaintiffs or Defendant. Instead, both sides agreed to a settlement through a neutral, third-party mediator, which is memorialized in the Class Action Settlement Agreement ("Agreement" or "Settlement"). On [DATE], the Court granted preliminary approval of the Settlement, appointed Plaintiffs as the Class Representatives, and appointed their attorney, THOMAS RUTLEDGE, ESQUIRE OF THE LAW OFFICE OF THOMAS D. RUTLEDGE, as counsel for the Class ("Class Counsel"). The Class Representatives and Class Counsel believe the Settlement is best for the Class.

## WHO IS IN THE SETTLEMENT?

### 4. How do I know if I am part of the Settlement?

You are part of the Settlement, and a Class Member, if you were a staff employee employed by Defendants in the state of California at any time from October 9, 2019 to [DATE] (the "Class Period").

## THE SETTLEMENT BENEFITS—WHAT YOU GET

### 5. What does the Settlement provide?

The Settlement provides that Defendant will pay a maximum of $480,000 ("Gross Settlement Fund"). This includes all costs and attorneys' fees for Class Counsel.

The "Net Settlement Fund" is the portion of the Gross Settlement Fund that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Fund is the Gross Settlement Fund less the following amounts (which are subject to Court approval):

A. **Attorneys' Fees to Class Counsel** not to exceed one-third (1/3) of the Gross Settlement Fund or $159,984;

B. **Litigation Costs/Expenses to Class Counsel** not to exceed $10,000;

C. **Service Payments to the Class Representatives** in an amount of $5,000 each, for a total of $10,000;

D. **Settlement Administration Costs** which are currently estimated not to exceed $15,000; and

E. **PAGA Payment** in the amount of $15,000 for the settlement of claims arising under the PAGA. Seventy-five percent (75%) of this amount, or $11,250.00, shall be paid to the Labor and Workforce Development Agency ("LWDA"). The remaining twenty-five percent (25%), or $3,750.00, will be distributed to all current and former staff employees of Defendant who were employed in the state of California at any time between October 10, 2022, and [DATE] (the "PAGA Period") (the "Aggrieved Employees"), for the release of their claims arising under PAGA.

The amount you are eligible to receive from the Settlement, your "Individual Settlement Payment," will be determined on a *pro rata* basis, based on the number of Workweeks you worked in California as an employee of Defendant from October 9, 2019, through [DATE]. Your Individual Settlement Payment includes both your estimated share of the Net Settlement Fund and, if eligible, your *pro rata* share of the PAGA Payment ("Individual PAGA Payment").

The Individual Settlement Payment will be apportioned as twenty percent (20%) wages and eighty percent (80%) as non-wages. If you are eligible to receive an Individual PAGA Payment, your Individual PAGA Payment will be allocated as 100% penalties. The wage portion of the Individual Settlement Payment will be subject to withholding for the employee taxes and will be reported on a W-2 Form. Employer-side payroll taxes shall be paid by Defendant separately from and in addition to the Gross Settlement Fund. The penalties and interest portions of your Individual Settlement Payment will not be subject to any withholdings and will be reported on an IRS Form 1099.

**According to Defendant's payroll records, you worked XXX Workweeks during the Class Period. Your estimated Individual Settlement Payment is $XXX.XX. The amount of the payment may change depending on the number of timely and valid Requests for Exclusions submitted in the Settlement, if any.**

**According to Defendant's payroll records, you worked XXX Workweeks during the PAGA Period. Your Individual PAGA Payment is $XXX.XX.**

This amount was determined based on Defendant's record of your employment between from October 9, 2019 through [DATE], and is presumed correct. If you dispute the accuracy of Defendant's records as to the number of Workweeks you worked during the Class Period or during the PAGA Period, you must contact the Settlement Administrator and provide any documentation you have supporting such dispute by [DATE]. All disputes regarding your Workweeks will be resolved and decided by the Parties or, if the Parties cannot agree, the Court, after you submit evidence to the Settlement Administrator. The Settlement Administrator's contact information is listed below:

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773

## HOW TO GET A PAYMENT FROM THE SETTLEMENT

### 6. How can I get a payment?

You do not have to do anything to qualify for a payment of your portion of the Settlement.

### 7. What am I giving up if I do not request to be excluded from the Settlement?

Upon the funding of the Gross Settlement Fund by Defendant, in exchange for the consideration set forth by the Settlement, Class Members who do not submit a timely, valid Request for Exclusion will release the "Released Parties" from the "Released Class Claims" that arose during the "Class Period."

The "Released Parties" include Defendant and all of its former and present directors, officers, employees, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

The "Released Class Claims" include all claims, rights, demands, liabilities and causes of actions that are alleged, or that reasonably could have been alleged, based on the facts asserted in the Actions arising during the Class Period, including factual claims regarding Defendant's alleged: (i) failure to pay all overtime wages due; (ii) failure to provide meal periods or compensation in lieu thereof; (iii) failure to provide rest periods or compensation in lieu thereof; (iv) failure to pay minimum wages; (v) failure to pay wages timely at time of termination or resignation; (vi) failure to timely pay wages during employment; (vii) failure to provide complete and accurate wage statements; (viii) failure to reimburse necessary business expenses; and (ix) unfair business practices.

The "Class Period" for the Released Class Claims is from October 9, 2019 through [DATE].

Additionally, all current and former staff employees of Defendant who were employed by Defendant in the state of California at any time between October 10, 2022 and [DATE], shall release the Released PAGA Claims that arose during the PAGA Period. You cannot opt-out of the release of the claims alleged under PAGA.

The "Released PAGA Claims" include all claims for civil penalties under the California Labor Code Private Attorneys General Act of 2004 that could have been premised on the facts alleged both in the PAGA Notice provided to the LWDA and in the Consolidated Complaint in the Actions during the PAGA Period.

The "PAGA Period" to which the release of the Released PAGA Claims pertains is from October 10, 2022 to [DATE].

**EXCLUDING YOURSELF FROM THE RELEASE OF NON-PAGA CLAIMS**

If you want to keep the right to sue or continue to sue Defendant with respect to the Released Class Claims, then you must submit a Request for Exclusion in conformity with the requirements set forth herein. <u>If you exclude yourself, you will not receive payment from the Net Settlement Fund. However, if eligible, you will still receive a payment in an amount equal to your estimated *pro rata* share of the PAGA Payment (*i.e.,* Individual PAGA Payment) because the Request for Exclusion does not apply to this claim.</u>

**8. How can I not participate in the Settlement?**

To exclude yourself from the release of Released Class Claims you must submit a written Request for Exclusion. You must include your full name, address, e-mail address or telephone number, and the last four (4) digits of your Social Security Number. Your Request for Exclusion must include a clear statement that you do not wish to be included in the Actions.

The written Request for Exclusion must be e-mailed or mailed to the Settlement Administrator at the address listed below, post-marked by [DATE]. <u>You cannot exclude yourself by phone</u>.

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA 92863
Telephone: (800) 523-5773
Email: notice@phoenixclassaction.com

If you ask to be excluded, you will not receive payment of any portion of the Net Settlement Fund (*i.e.,* Individual Settlement Payment) and you cannot object to the Settlement. You will <u>not</u> be legally bound by the release of Released Class Claims.

You may be able to sue Defendant and/or the Released Parties or continue any suit you have pending against Defendant or the Released Parties, regarding the Released Class Claims.

**9. If I don't exclude myself, can I sue Defendants for the same thing later?**

No. Unless you submit a Request for Exclusion, you give up the right to sue Defendant and the other Released Parties for the Released Class Claims. If you have a pending lawsuit involving the Released Class Claims, speak to your lawyer in that lawsuit immediately.

**10. If I exclude myself, can I get money from this Settlement?**

No. (Except if you worked between October 10, 2022 and [DATE], in which case you will still receive your Individual PAGA Payment for claims that arise under PAGA.) But if you submit a timely and valid Request for Exclusion, you retain any right that you may have to sue, continue to sue, or be part of a different lawsuit against the Released Parties for Released Class Claims.

**THE LAWYERS REPRESENTING YOU**

**11. Do I have a lawyer in this case?**

The Court has approved THOMAS RUTLEDGE, ESQUIRE OF THE LAW OFFICE OF THOMAS D. RUTLEDGE as Class Counsel. The firm's contact information is:

**Thomas D. Rutledge**
Attorney-at-Law
16956 Via De Santa Fe, Suite 1847
Rancho Santa Fe, California 92091
Telephone: (619) 886-7224
thomasrutledgelaw@gmail.com

Class Counsel will ask the Court for attorneys' fees of up to one-third (33%) of the Gross Settlement Fund ($159,984.00) and reimbursement of litigation cost/expenses of up to $10,000.00. These amounts are subject to Court approval and the Court may award less than these amounts.

## OBJECTING TO THE SETTLEMENT

You can object to the Class Settlement or some part of it.

### 12. How do I tell the Court if I don't like the Settlement?

If you are a Class Member, you can object to the Class Settlement and you can give reasons for why you think the Court should not approve it. The Court will consider your views. To object, you must e-mail or mail your written objection to the Settlement Administrator no later than [DATE]. Your written objection must include your full name, address, e-mail or telephone number, the last four (4) digits of your social security number or employee ID number, and the specific reason for your objection. All objections must be signed by the objecting Class Member or the Class Member's legally authorized representative. You may also come to the Final Approval Hearing on [DATE] and make an objection at that time, regardless of whether you submitted a written objection.

### 13. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

## THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to grant final approval of the Settlement ("Final Approval Hearing"). You may attend, but you do not have to attend.

### 14. When and where will the Court decide whether to approve the Settlement?

The Court will hold the Final Approval Hearing at [DATE/TIME], in Department C-73 of the San Diego Superior Court—Hall of Justice, located at 330 W Broadway, San Diego, CA 92101.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them.

### 15. Do I have to come to the hearing?

No. If you agree to the Settlement, you do not have to come to Court to talk about it. However, you may attend either virtually or in-person. You may also retain your own lawyer at your expense to attend on your behalf.

The Final Approval Hearing may be postponed without further notice to Settlement Class Members. Any changes to the date, time, or location of the Final Approval Hearing will be posted on the Settlement Administrator's website at [INSERT].

### 16. How will I learn if the Settlement was approved?

A notice of final judgment will be posted on the Settlement Administrator website located at [INSERT].

## IF YOU DO NOTHING

### 17. What happens if I do nothing at all?

If you do nothing and the Court grants final approval of the Settlement, you will receive your share of the Settlement, and you will release the Released Class Claims. You will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendant or Released Parties based on the Released Class Claims, ever again. Your Individual Settlement Payment and Individual

PAGA Payment, if applicable, will be mailed to you and will remain valid and negotiable for 180 days. If you do not cash your settlement check within 180 days, these funds will be transferred to the Controller of the State of California's Unclaimed Property Fund. You may then claim these funds from there via https://www.sco.ca.gov/upd_msg.html.

## GETTING MORE INFORMATION

### 18. How do I get more information?

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by viewing the settlement located on the Settlement Administrator's website at [INSERT] or by contacting the Settlement Administrator or Class Counsel.

## WHAT IF MY INFORMATION CHANGES?

### 19. What if my contact information changes?

It is your responsibility to inform the Settlement Administrator of your updated information to ensure receipt of settlement payments or communications regarding this matter. You can change or update your contact information by contacting the Settlement Administrator.

**DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE**

# Exhibit 2

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Attorneys for Defendant
ALLIANT INTERNATIONAL UNIVERSITY, INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO-CENTRAL DIVISION

| | |
|---|---|
| MICHELLE JACKSON, *et al.*<br><br>Plaintiffs,<br><br>vs.<br><br>ALLIANT INTERNATIONAL UNIVERSITY, INC., *et al.*<br><br>Defendants.<br><br>AND RELATED CASES | Case No.: 37-2023-00043742-CU-OE-CTL (Related Case No.: 37-2024-00002100-CU-OE-CTL)<br><br>Dept.: 73<br>Judge: Hon. Joel R. Wohlfeil<br><br>**JOINT STIPULATION TO CONSOLIDATE**<br><br>Complaint Filed: Oct. 9, 2023<br><br>([Proposed] Order filed herewith) |

## JOINT STIPULATION

IT IS HEREBY STIPULATED by and between the parties to this action, via counsel, as follows:

WHEREAS, the parties have agreed to settle the foregoing related class and PAGA action cases (Jackson, *et al.* v. Alliant International University, Inc., *et al*. Case No.: 37-2023-00043742-CU-OE-CTL and Augustin, *et al.* v. Alliant International University, Inc., *et al*. Case No.: 37-2024-00002100-CU-OE-CTL);

WHEREAS, the parties have agreed to consolidate the foregoing related cases under one case number, namely, Case No.: 37-2023-00043742-CU-OE-CTL for the Jackson, *et al.* v. Alliant International University, Inc., *et al*. matter and to allow Plaintiffs Jackson and Augustin to file a Second Amended Complaint (SAC) under Case No.: 37-2023-00043742-CU-OE-CTL, a copy of which is attached as **Exhibit 1**; and

WHEREAS, the parties also agree to vacate the trial and discovery dates related to the foregoing cases.

Accordingly, the parties agree that the Court may sign the [Proposed] Order that is filed concurrently herewith.

Dated: March 7, 2025

Law Office of
Thomas D. Rutledge

By: /s/*Thomas D. Rutledge*
Thomas D. Rutledge
Attorneys for the Plaintiffs

Dated: March 7, 2025

Quarles & Brady LLP

By: /s/*Joanne Buser*
Joanne Buser, Esquire
Attorneys for Defendant

## CERTIFICATION OF AUTHORIZATION

Pursuant to the electronic filing policies governed by the Local Rules of the Superior Court, County of San Diego, I hereby certify that the contents of this document are acceptable to Joanne Buser, counsel for Defendant and that the foregoing counsel has authorized the affixation of electronic signatures to this document.

Dated: March 7, 2025

Law Office of
Thomas D. Rutledge

By: /s/*Thomas D. Rutledge*
Thomas D. Rutledge
Attorneys for the Plaintiffs

# Exhibit 1

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Attorneys for Plaintiffs

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO-CENTRAL DIVISION

| | |
|---|---|
| MICHELLE JACKSON and ERICA AUGUSTIN, individually and as aggrieved employees pursuant to the Private Attorneys General Act (PAGA) on behalf of the State of California and similarly situated employees,<br><br>Plaintiffs,<br><br>vs.<br><br>ALLIANT INTERNATIONAL UNIVERSITY, INC., a California corporation; and DOES 1 through 50,<br><br>Defendants. | Case No.: 37-2023-00043742-CU-OE-CTL<br><br>Judge: Hon. Joel R. Wohlfeil<br>Dept.: 73<br><br>**SECOND AMENDED COMPLAINT FOR:**<br>**1. Failure to pay minimum/regular wages;**<br>**2. Failure to Pay State Overtime;**<br>**3. Failure to Comply with Meal Break Laws;**<br>**4. Failure to Comply with Rest Break Laws;**<br>**5. Failure to Reimburse Expenses;**<br>**6. Failure to Provide Accurate Wage Statements;**<br>**7. Failure to Pay Wages Timely;**<br>**8. Failure to Provide and Maintain Records;**<br>**9. Violation of B.&P. Code §§ 17200, *et seq.*; and**<br>**10. Violations of Various Miscellaneous Provisions of the Labor Code via the PAGA.** |

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Plaintiff MICHELLE JACKSON and ERICA AUGUSTIN on behalf of themselves (cumulatively "Plaintiffs"), the State of California, and acting for the interests of other current and former employees, the putative class, and all others similarly situated individuals (cumulatively "Aggrieved Employees"), allege the following:

## NATURE OF THE ACTION

1. This is a wage and hour individual, class, and representative action.

2. Pursuant to Code of Civil Procedure § 382 and the Private Attorney General Act (PAGA), §§ 2698, 2699 of the California Labor Code, Plaintiffs bring this proposed class and representative action against Defendants for workplace abuse in violation of the California Labor Code and the Industrial Welfare Commission Wage Orders (the "IWC Wage Orders"), all of which contribute to Defendants' deliberate unfair competition in California.

3. Plaintiffs seek all remedies available to them including but not limited to reimbursements, penalties, restitution, injunctive and other equitable relief, reasonable attorneys' fees, and costs.

## JURISDICTION AND VENUE

4. Pursuant to Article VI, § 10 of the California Constitution, subject matter jurisdiction is proper in the Superior Court of California, County of San Diego, State of California because Plaintiffs allege claims arising under California law.

5. This Court has jurisdiction over the Defendants because each is an association, corporation, business entity, or individual that conducts substantial business in the State of California.

6. Pursuant to § 395 of the California Code of Civil Procedure, venue is proper in the Superior Court of California for the County of San Diego because Defendant is doing business in the County of San Diego, California and this is where the misconduct occurred to the named Plaintiff.

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**THE PARTIES**

7. The State of California is the real party in interest in a PAGA action. (*Kim v. Reins Int'l California, Inc.* (2020) 9 Cal.5th 73, 81 [the "government entity on whose behalf the plaintiff files suit is always the real party in interest."].)

8. Plaintiff MICHELLE JACKSON is an individual residing in the County of San Diego, California.

9. Plaintiff ERICA AUGUSTIN is an individual residing in the County of San Diego, California.

10. Defendant ALLIANT INTERNATIONAL UNIVERSITY, INC. is a California corporation doing business in the State of California.

11. The true names and capacities, whether individual, corporate, associate or otherwise of the Defendants named herein as DOES 1 through 50, are unknown to Plaintiffs at this time. Plaintiffs therefore sues said Defendants by such fictitious names pursuant to § 474 of the California Code of Civil Procedure. Plaintiffs will seek leave to amend this Complaint to allege the true names and capacities of DOES 1 through 50 when their names are ascertained. Plaintiffs are informed and believe, and based thereon allege, that each of the DOE Defendants is in some manner liable to Plaintiffs for the events and actions alleged herein.

12. Unless otherwise specified by name, the named Defendants and DOES 1 through 50 will be collectively referred to as "DEFENDANT EMPLOYER" and/or "Defendants."

13. Plaintiffs are informed and believe, and based thereon allege, that each Defendant was acting as an agent, joint venturer, an integrated enterprise and/or alter ego for each of the other Defendants and each were co-conspirators with respect to the acts and the wrongful conduct alleged herein so that each is responsible for the acts of the other pursuant to the conspiracy and in proximate connection with the other Defendant(s).

14. Plaintiffs are informed and believe, and based thereon allege, that each

Defendant was acting partly within and partly without the scope and course of their employment, and was acting with the knowledge, permission, consent, and ratification of every other Defendant.

15. Plaintiffs are informed and believe, and based thereon allege that each of the Defendants was an agent, managing general partner, managing member, owner, co-owner, partner, employee, and/or representative of each of the Defendants and was at all times material hereto, acting within the purpose and scope of such agency, employment, contract and/or representation, and that each of them is jointly and severally liable to Plaintiffs.

16. Plaintiffs are informed and believe, and based thereon allege that each of the Defendants is liable to Plaintiffs under legal theories and doctrines including but not limited to (1) joint employer; (2) integrated enterprise; (3) agency; and/or (4) alter ego, based in part, on the facts set forth below.

17. Plaintiffs are informed and believe, and based thereon allege, that each of the named Defendants are part of an integrated enterprise and have acted or currently act as the employer and/or joint employer of the Plaintiffs/Class Members making each of them liable for the wage and hour violations alleged herein.

18. Plaintiffs are informed and believe, and therefore allege, that one, more than one, or each of the named Defendants are liable to the Plaintiffs under legal theories and doctrines including but not limited to (1) the common law joint employer doctrine and/or (2) Labor Code § 2810.3 because at least one of these named Defendants worked as the central hub to an overall business operation by which the interrelationship between these Defendants makes each of the Defendants liable for the wage and hour violations alleged herein.

## GENERAL ALLEGATIONS

19. Defendants are in the education business.

20. From about July 29, 2013, Defendants employed Plaintiff JACKSON in various job assignments the last of which was serving as Defendants' Assistant Vice

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President of Student Affairs.

21. On August 18, 2023, Defendants involuntarily terminated Plaintiff JACKSON without paying her all wages to which she had a right to receive on the day of her termination in an amount to be proven at trial.

22. From about 2001 to January 21, 2022, Defendants employed Plaintiff AUGUSTIN in various job assignments, the last of which was serving as a nonexempt employee.

23. On January 21, 2022, Plaintiff JACKSON resigned from her employment with Defendant, but Defendant failed to pay all wages to which she had a right to receive on the third day of her termination in an amount to be proven at trial.

**Minimum Wage/Regular Wage claims.**

24. Plaintiffs are informed and believe, and therefore allege that pursuant to company policy and/or practice and/or direction, DEFENDANT EMPLOYER paid Aggrieved Employees wages at less than the rate required under state, federal, and local law.

25. For example, Plaintiff AUGUSTIN sometimes worked off-the-clock doing tasks she did not have time to perform while on the clock, in an amount to be proven at trial.

26. This is one example of many in which Plaintiff AUGUSTIN and putative class members worked off-the-clock without minimum wage or regular wage compensation.

27. This claim is premised on Plaintiffs' right to pursue all Labor Code claims on behalf of Aggrieved Employees per *Huff v. Securitas Security Services USA, Inc*. (2018) 23 Cal.App.5th 745.

**Failure to Pay State Overtime.**

28. Plaintiffs are informed and believe, and therefore allege that pursuant to

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company policy and/or practice and/or direction, DEFENDANT EMPLOYER failed to pay Aggrieved Employees state overtime compensation and/or the correct amount of overtime compensation.

29. For the reasons explained above regarding minimum wages, Plaintiff AUGUSTIN was sometimes underpaid overtime compensation on the workdays she worked off-the-clock doing tasks she did not have time to perform while on the clock, in an amount to be proven at trial

30. This is one example of many in which Plaintiff AUGUSTIN and putative class members were underpaid overtime compensation.

31. This claim is premised on Plaintiffs' right to pursue all Labor Code claims on behalf of Aggrieved Employees per *Huff v. Securitas Security Services USA, Inc*. (2018) 23 Cal.App.5th 745.

**Meal and Rest Break Claims.**

32. Plaintiffs are informed and believe, and therefore allege that pursuant to company policy and/or practice and/or direction, DEFENDANT EMPLOYER failed to authorize and/or permit Aggrieved Employees from taking all their compliant off-duty meal and rest breaks during the required timeframe as required by law and failed to pay them premium pay, in an amount to be proven at trial.

33. For example, on January 18, 2022, Plaintiff AUGUSTIN worked ten and one half hours, but received only one meal break, not two as required by law.

34. Plaintiff AUGUSTIN did not waive her right to take a second meal break and she received no meal period premium payment for her missed meal break.

35. This is one example of many in which Plaintiff AUGUSTIN missed a meal break without getting paid premium compensation.

36. Plaintiff AUGUSTIN similarly experienced missed rest breaks during her employment with the Defendant, all in an amount to be proven at trial.

37. This claim is premised on Plaintiffs' right to pursue all Labor Code claims on behalf of Aggrieved Employees per *Huff v. Securitas Security Services USA, Inc*.

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(2018) 23 Cal.App.5th 745.

**Failure to Reimburse.**

38. During all times relevant, and pursuant to company policy and/or practice and/or direction, Defendants required Plaintiff JACKSON and, upon information and belief, other employees, to work from home as a condition of their employment and required Plaintiff JACKSON and the Class to use their home internet and incur various other expenses associated with their work for Defendants.

39. Defendants required all types of workers, such as professors, assistant professors, office staff, and many others to perform work remotely wherein Defendants did not adequately reimburse for their workers' overhead expenses, to wit: Defendants imposed an arbitrary cap of a not to exceed amount of $50 per month for remote expenses associated with cell phone usage and internet, a figure Plaintiffs maintain was too low.

40. Defendants' professors and assistant professors often taught classes remotely using software, computers, and other tools to communicate with students and broadcast their lectures.

41. Plaintiff JACKSON personally was involved in many zoom meetings with Defendants' employees, sometimes one on one, many times with dozens of Defendants employees, all from afar normally from her home using tools and equipment the named Plaintiff purchased with her own funds.

42. The unreimbursed purchases Plaintiff JACKSON and proposed Class Members were required to make to perform their work include, but are not limited to internet connections, office space in their homes devoted to work, phone, utilities, and work-related office supplies/equipment.

43. Defendants passed the cost of doing business onto its employees by requiring, without reimbursement, Aggrieved Employees to purchase equipment, tools, and services necessary to perform work for Defendants. *See Price v. Wells Fargo & Co.*, 2022 U.S. Dist. LEXIS 169097, *9-10 (N.D. Cal. Sep. 13, 2022)(Hon. Jacqueline

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Scott Corley) (plaintiff-employee alleged plausible claims under Labor Code § 2802 where she claims that defendant-employer did not reimburse her for her purchase of notebooks, pens, highlighters, ethernet cables, internet, desk, and cell phone); *Aguilar v. Zep, Inc.,* 2014 US Dist. LEXIS 120315, *54 (N.D. Cal. Aug. 27, 2014) (Hon. Edward Chen) (where outside sales reps used home internet and computers for work, and even admitted that they would have incurred the same expenses without work duties, the court nevertheless held that the employer was obligated to reimburse some reasonable portion of these expenses); *Ritchie v. Blue Shield of California*, 2014 WL 6982943, at *21 (N.D. Cal. Dec. 9, 2014) (Hon. Edward Chen) (certifying class of home office claims processors with 2802 phone reimbursement claims for landline reimbursements where company required claims processors working from home to have a landline, but rejecting certification of claims for home office supplies as individualized); *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137 (2014) ("We hold that when employees must use their personal cell phones for work-related calls, Labor Code section 2802 requires the employer to reimburse them. Whether the employees have cell phone plans with unlimited minutes or limited minutes, the reimbursement owed is a reasonable percentage of their cell phone bills.")

44. This claim is also premised, in part, on Plaintiffs' right to pursue all Labor Code claims on behalf of Aggrieved Employees per *Huff v. Securitas Security Services USA, Inc*. (2018) 23 Cal.App.5th 745.

**Erroneous Wage Statements in Violation of Labor Code § 226.**

45. During all times relevant, and pursuant to company policy and/or practice and/or direction and continuing to the present, and pursuant to company policy and/or practice and/or direction, Plaintiffs are informed and believe, and therefore allege that Defendants issued confusing and inaccurate wage and earning statements to Aggrieved Employees, which wage and earning statements failed to comply with Labor Code § 226 because they failed to, among other things, identify their correct rates of pay and/or correct gross and net earnings during the applicable pay period.

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46. As a standalone claim, Plaintiffs are informed and believe, and therefore allege, that Defendants also issued confusing and inaccurate wage and earning statements to Plaintiffs.

47. On July 19, 2023, for example, Defendants issued Plaintiff JACKSON a wage and earning statement that said Defendants paid Plaintiff $938.46 for “Retro Pay,” but provides no further explanation for the reason for this payment leaving any reasonable person guessing why Defendants paid this money to the Plaintiff.

48. The above problem made interpretation of the foregoing wage and earning statement hopelessly confusing.

49. In addition to the foregoing claims under Labor Code § 226, Plaintiffs are informed and believe, and therefore allege that Plaintiffs’ paystubs and those of similarly situated employees of Defendants were inaccurate because Defendants failed to pay them all wages, as alleged above, supporting a derivative claim under Labor Code § 226.

50. This claim is also premised, in part, on Plaintiffs’ right to pursue all Labor Code claims on behalf of Aggrieved Employees per *Huff v. Securitas Security Services USA, Inc*. (2018) 23 Cal.App.5th 745.

**Facts Relating to Derivative Claims, such as Labor Code §§ 203, 204, 204b, etc.**

51. Pursuant to the above-mentioned policies, DEFENDANT EMPLOYER failed to pay all wages to which Aggrieved Employees had the right to receive under the law in a timely manner.

52. For example, Plaintiff AUGUSTIN’s employment terminated on or about January 21, 2022, but to date the Defendants have failed to pay her all wages to which she had a right to receive in an amount to be proven at trial.

53. Derivative claims are premised on Plaintiffs’ right to pursue all Labor Code claims on behalf of Aggrieved Employees per *Huff v. Securitas Security Services USA, Inc*. (2018) 23 Cal.App.5th 745.

## CLASS ACTION ALLEGATIONS

54. Plaintiffs bring this action on behalf of herself and all others similarly situated as a Class Action pursuant to § 382 of the Code of Civil Procedure.

55. Plaintiffs seek to represent the classes and/or subclasses composed of and defined as follows:

> **All of Defendants' current or former nonexempt employees who worked in the state of California from October 10, 2019 to the present.**

56. Plaintiffs also seek to represent the following subclasses composed of and defined as follows:

> **__State Minimum Wage Subclass:__** All Members of the Class who, during the relevant period, worked but did not receive minimum wages.

> **__State Overtime Subclass:__** All Members of the Class who, during the relevant period, worked more than eight hours per day and/or in 40 hours per week and who did not receive overtime pay at the requisite overtime rate of pay.

> **__Wage Statement Subclass:__** All members of the Plaintiff Class who worked for Defendants in California as an hourly-paid non-exempt employee and did not receive accurate itemized wage statements as required by Labor Code § 226 during the applicable statute of limitations period.

> **__Meal and Rest Break Subclass:__** All members of the Plaintiff Class who, during the applicable statute of limitations period worked for Defendants in California as an hourly-paid non-exempt employee and were not provided compliant meal and/or rest breaks and were not provided one hour of pay at their regular rate of compensation in lieu thereof during the applicable statute of limitations period.

> **__Waiting Time Penalty Subclass:__** All members of the Plaintiff Class whose employment was terminated during the applicable statute of limitations period and did not receive all wages in a

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timely manner as required by Labor Code §§ 201-203.

**Unreimbursed Expense Subclass:** All members of the Plaintiff Class who, during the relevant period, Defendants did not reimburse for reasonable and necessary expenses.

**UCL Subclass:** All Members of the Class, who, during the relevant period, are owed restitution in the form of (1) unreimbursed expenses and/or (2) wages earned and unpaid because of Defendants' uniform pay policies and procedures.

57. The above-mentioned class-members will collectively be referred to as "Class Members."

58. Plaintiffs reserve the right under the California Rules of Court, to amend or modify the class description with greater specificity or further division into subclasses or limitation to particular issues.

59. This action is brought and may properly be maintained as a class action under the provisions of § 382 of the Code of Civil Procedure because there is a well-defined community of interest in the litigation and the proposed class is easily ascertainable.

**A. Numerosity.**

60. The potential members of the class as defined are so numerous or many, that joinder of all the members of the class is impracticable.

61. While the precise number of Class Members has not been determined at this time, Plaintiffs are informed and believe, and based thereon allege, that DEFENDANT EMPLOYER currently employs, and during the relevant time periods employed, a sufficient number of employees to warrant class certification if all other elements are met.

62. Accounting for employee turnover during the relevant periods necessarily increases the number of potential members of the class.

**B. Commonality.**

63. There are questions of law and fact common to the class that predominate

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over any questions affecting only individual Class Members.

64. Common questions of law and fact include, without limitation and subject to possible further amendment, the following:

a. Whether Defendants violated the Labor Code and the applicable Wage Order by not fully compensating Plaintiffs and the Class by failing to pay minimum wage and/or regular wages as required by law;

b. Whether Defendants' policy or practice of not paying Plaintiffs and putative class members overtime compensation for the hours they worked over 40 in a workweek or eight hours in a day is illegal under Labor Code §§ 510, 1771, 1774, 1776, 1194, and the applicable Wage Order;

c. Whether Defendants' policy or practice of not paying Plaintiffs and other similarly situated employees all their wages due in their final paychecks immediately upon involuntary termination or when its employees provided 72 hours' notice before voluntary resignation, is unlawful under Labor Code §§ 201, 202 and/or 203;

d. Whether Defendants violated Labor Code § 2802 by failing to reimburse the class for business expenses;

e. Whether Defendants violated Labor Code § 226 by not providing accurate paystubs to the class;

f. Whether Defendants violated meal break laws; and

g. Whether the class may recover restitution pursuant to Business & Professions Code § 17200, *et seq.*

**C. <u>Typicality.</u>**

65. The named Plaintiff's claims are typical of the claims of the class

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because the named Plaintiff and all members of the class sustained injuries and damages arising out of and caused by Defendants' common course of conduct and policies in violation of laws, regulations that have the force and effect of law and statutes as alleged herein.

**D. <u>Adequacy of Representation.</u>**

66. The named Plaintiff is a member of the class, does not have any conflicts of interest with other Class Members, and will prosecute the case vigorously on behalf of the class.

67. Counsel representing the named Plaintiff and the putative class are competent and experienced in litigating employment class actions.

68. The named Plaintiff will fairly and adequately represent and protect the interests of the Class Members.

**E. <u>Superiority of Class Action.</u>**

69. A class action is superior to other available means for the fair and efficient adjudication of this controversy because individual joinder of all Class Members is not practicable, and questions of law and fact common to the class predominate over any questions affecting only individual members of the class.

70. Each Class Member was damaged or suffered injury and may recover by reasons of Defendants' illegal policies and/or practices.

71. Class action treatment will allow those similarly situated persons to litigate their claims in the manner that is most efficient and economical for the parties and the judicial system.

72. Plaintiffs are unaware of any difficulties that are likely to be encountered in the management of this action that would preclude maintenance as a class action.

73. For the reasons alleged in this Complaint, this action should be certified as a class action.

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## REPRESENTATIVE ACTION (PAGA) CLAIMS

74. This is a wage and hour representative action filed pursuant to the PAGA, Labor Code §§ 2698, 2699 generally consists of the following group:

**All persons Defendants employed in the State of California from October 10, 2022 to the present.**

75. All members of the Aggrieved groups will be referred to as the "Aggrieved Employees."

76. The "PAGA Period" means from **October 10, 2022** to the present, the timeframe where the scope of statute allows Plaintiffs to recover wages and penalties.

77. California law provides that an employee may file an action against an employer to recover penalties for violations of the Labor Code and Wage Orders provided the aggrieved employee files an action on behalf of him/her or herself/himself and similarly-situated current and former employees.

78. At all material times, DEFENDANT EMPLOYER and DOES 1 through 50 were and/or are Aggrieved Employees' employers or persons acting on behalf of Aggrieved Employees' employer, within the meaning of California Labor Code § 558, who violated or caused to be violated, a section of Part 2, Chapter 1 of the California Labor Code or any provision regulating hours and days of work in any Order of the Industrial Welfare Commission and, as such, are subject to penalties for each underpaid employee as set for in Labor Code § 558.

79. As set forth in further detail below, because of the analysis and investigation of the Plaintiffs' claims, Plaintiffs' attorneys sent correspondence to the California Labor and Workforce Development Agency (LWDA) and to DEFENDANT EMPLOYER informing DEFENDANT EMPLOYER of their claims and their intent to pursue litigation.

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## FIRST CAUSE OF ACTION

**Individual, Class, and Representative Claim under the PAGA for Failure to Pay State and Local Minimum/Regular Wages in Violation of California Labor Code §§ 216, 218, 218.5, 223, 1182.12, 1194, 1194.2, 1197, 1198, and the applicable Industrial Welfare Commission ("IWC") Wage Order**

(Against all Defendants)

80. Plaintiffs re-allege and incorporate by reference the foregoing allegations as though set forth herein.

81. This claim is premised on Plaintiffs' right to pursue all Labor Code claims on behalf of Aggrieved Employees per *Huff v. Securitas Security Services USA, Inc*. (2018) 23 Cal. App. 5th 745.

82. Pursuant to Labor Code §§ 216, 223, 218, 218.5, 1182.12, 1194, 1194.2, and 1197 it is unlawful for a California employer to suffer or permit an employee to work without paying wages for all hours worked, as required by the applicable IWC Wage Order.

83. During all times relevant, the applicable IWC Wage Order, including but not limited to Wage Order 4 and/or 5, applied to Aggrieved Employees' employment with Defendants.

84. Pursuant to the applicable IWC Wage Order, "hours worked" include the time during which an employee is "suffered or permitted to work, whether or not required to do so."

85. Every employer must pay each employee minimum wage as required under state law and, where applicable and if higher, local law.

86. During all times relevant, Plaintiffs are informed and believe, and based thereupon allege that Aggrieved Employees were not paid minimum/regular wages for all hours suffered or permitted to work in violation of state and, where applicable, local law and/or their agreement with DEFENDANT EMPLOYER.

87. At all material times, DEFENDANT EMPLOYER and DOES 1 through 50 were and/or are Aggrieved Employees' employers or persons acting on behalf of Aggrieved Employees' employer, within the meaning of California Labor Code § 558, who violated or caused to be violated, a section of Part 2, Chapter 1 of the California Labor Code or any provision regulating hours and days of work in any Order of the Industrial Welfare Commission and, as such, are subject to penalties for each underpaid employee as set for in Labor Code § 558.

88. In committing the violations of state law as herein alleged, Plaintiffs are informed and believe based there upon allege that Defendants have knowingly and willfully refused to perform their obligations to compensate Aggrieved Employees for all wages earned and all hours worked.

89. As a direct result, Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such compensation, wages, lost interest on such monies and expenses and attorneys' fees in seeking to compel Defendants to fully perform their obligations under state law, all to their respective damage in amounts according to proof at trial and within the jurisdictional limitations of this Court.

90. Labor Code § 2699, *et seq.* imposes upon Defendants, and each of them, a penalty of one hundred dollars ($100.00) for each aggrieved employee per pay period for the initial violation and two hundred ($200.00) for each aggrieved employee per pay period for each subsequent violation in which DEFENDANT EMPLOYER violated the minimum wage and/or regular wage provisions of the Labor Code, including but not limited to §§ 216, 218, 218.5, 223, 1182.12, 1194, 1194.2, and 1197, the exact amount of the applicable penalty is all in an amount to be shown according to proof at trial.

91. Pursuant to the PAGA, Plaintiffs seek to recover from Defendants, and each of them, penalties, attorneys' fees, and costs incurred herein.

92. Upon information and belief, Class Members including Plaintiff

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AUGUSTIN should have received minimum wages in a sum according to proof during all times relevant to this action.

93. Upon information and belief, Defendants have intentionally failed and refused, and continue to fail and refuse, to pay Class Members including Plaintiff AUGUSTIN minimum wages for all time suffered or permitted to work.

94. Plaintiff AUGUSTIN and the Class request the recovery of the unpaid minimum, waiting time penalties, liquidated damages, interest, attorneys' fees, and costs in an amount to be determined at trial.

**SECOND CAUSE OF ACTION**

**Individual, Class, and Representative Claim under the PAGA for Failure to Pay State Overtime and/or Double-Time Compensation in Violation of California Labor Code §§ 510, 1194, 1198, and the Applicable Wage Order**

(Against all Defendants)

95. Plaintiffs re-allege and incorporate by reference the foregoing allegations as though set forth herein.

96. This claim is premised on Plaintiffs' right to pursue all Labor Code claims on behalf of Aggrieved Employees per *Huff v. Securitas Security Services USA, Inc*. (2018) 23 Cal. App. 5th 745.

97. During all times relevant, the applicable Wage Order, including but not limited to Wage Order 4 and/or 5, applied to Plaintiffs' employment with Defendants.

98. Pursuant to the applicable Wage Order, "hours worked" include the time during which an employee is "suffered or permitted to work, whether or not required to do so."

99. For each hour (or fraction thereof) an employee works over forty (40) hours in a week or more than eight (8) hours in a workday the employer must pay the rate of one and a half times the employee's regular hourly wage.

100. For each hour (or fraction thereof) an employee works more than twelve

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(12) hours in one day or more than eight (8) hours a day on the seventh consecutive day of work, the employee must be compensated at the rate of no less than twice the regular rate of pay for that employee.

101. According to § 49.1.1 of the California Division of Labor Standards and Enforcement Policies and Interpretations Manual, "In California, as with the federal FLSA, overtime is computed based on the regular rate of pay. The regular rate of pay includes many different kinds of remuneration, for example: hourly earnings, salary, piecework earnings, *commissions*, *certain bonuses*, and the value of meals and lodging." (Emphasis added.)

102. Plaintiffs are informed and believe, and therefore allege that DEFENDANT EMPLOYER failed to pay all overtime compensation to the Aggrieved Employees.

103. At all material times, DEFENDANT EMPLOYER and DOES 1 through 50 were and/or are Aggrieved Employees' employers or persons acting on behalf of Aggrieved Employees' employer, within the meaning of California Labor Code § 558, who violated or caused to be violated, a section of Part 2, Chapter 1 of the California Labor Code or any provision regulating hours and days of work in any Order of the Industrial Welfare Commission and, as such, are subject to penalties for each underpaid employee as set for in Labor Code § 558.

104. In committing the violations of state law as herein alleged, Defendants have knowingly and willfully refused to perform their obligations to compensate Aggrieved Employees for all wages earned and all hours worked.

105. As a direct result, Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such compensation, wages, lost interest on such monies and expenses and attorney's fees in seeking to compel Defendants to full perform their obligation under state law, all to their respective damage in amounts according to proof at trial and within the jurisdictional limitations of this Court.

106. Labor Code § 2699, *et seq.* imposes upon Defendants, and each of them, a penalty of one hundred dollars ($100.00) for each aggrieved employee per pay period for the initial violation and two hundred ($200.00) for each aggrieved employee per pay period for each subsequent violation in which DEFENDANT EMPLOYER violated the overtime provisions of the Labor Code, including but not limited to §§ 510 at 1194, the exact amount of the penalties sought is in an amount to be shown according to proof at trial.

107. Pursuant to the PAGA, Plaintiffs seek to recover from Defendants, and each of them, penalties, attorneys' fees, and costs incurred herein.

108. Based on the misconduct alleged in this Complaint, Plaintiff AUGUSTIN and similarly situated members of the Class have suffered damages in an amount to be proven at trial.

109. Plaintiff AUGUSTIN on behalf of herself and Class requests the unpaid wages, waiting time penalties, interest, attorneys' fees, costs, liquidated damages, and any other remedies allowed by law in an amount to be proven at trial

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**<u>THIRD CAUSE OF ACTION</u>**

**Individual, Class, and Representative Claim under the PAGA for Failure to Comply with the Meal Break Requirements of Labor Code §§ 226.7, 512, 1198, and the applicable IWC Wage Order**

(Against all Defendants)

110. Plaintiffs re-allege and incorporate by reference the foregoing allegations as though set forth herein.

111. This claim is premised on Plaintiffs' right to pursue all Labor Code claims on behalf of Aggrieved Employees per *Huff v. Securitas Security Services USA, Inc*. (2018) 23 Cal. App. 5th 745.

112. Plaintiffs are informed and believe, and based thereon allege, that by failing to provide duty-free meal periods of at least thirty (30) minutes for shifts of five hours or more, which began before the end of the fifth hour of work, and failing to pay

such employees premium wages of one (1) hour of pay at their regular rate of compensation for each workday the meal period was not provided, Defendants willfully violated the provisions of Labor Code § 226.7, and the applicable IWC Wage Order.

113. Based on the misconduct alleged in this Complaint, Plaintiffs are informed and believe, and based thereon allege, that Defendants failed to pay all premium wages owed.

114. At all material times, DEFENDANT EMPLOYER and DOES 1 through 50 were and/or are Aggrieved Employees' employers or persons acting on behalf of Aggrieved Employees' employer, within the meaning of California Labor Code § 558, who violated or caused to be violated, a section of Part 2, Chapter 1 of the California Labor Code or any provision regulating hours and days of work in any Order of the Industrial Welfare Commission and, as such, are subject to penalties for each underpaid employee as set for in Labor Code § 558.

115. In committing the violations of state law as herein alleged, Plaintiffs are informed and believe and based thereon allege that Defendants have knowingly and willfully refused to perform their obligations to compensate Aggrieved Employees for all wages earned and all hours worked.

116. As a direct result, Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such compensation, wages, lost interest on such monies and expenses and attorneys' fees in seeking to compel Defendants to fully perform their obligations under state law, all to their respective damage in amounts according to proof at trial and within the jurisdictional limitations of this Court.

117. Cal. Labor Code § 2699, *et seq.* imposes upon all culpable Defendants a penalty of one hundred dollars ($100.00) for each aggrieved employee per pay period for the initial violation and two hundred ($200.00) for each aggrieved employee per pay period for each subsequent violation in which all culpable Defendants violated Cal.

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Labor Code § 226.7, the exact amount of the applicable penalty is all in an amount to be shown according to proof at trial.

118. Wherefore, Plaintiffs request all remedies available to them pursuant to the PAGA.

119. Wherefore, Plaintiffs request all remedies available to them and to the putative Class.

**FOURTH CAUSE OF ACTION**

**Individual, Class, and Representative Claim under the PAGA for Failure to Comply with the Rest Break Requirements of Labor Code §§ 226.7, 512, 1198, and the applicable IWC Wage Order**

(Against all Defendants)

120. Plaintiffs re-allege and incorporate by reference the foregoing allegations as though set forth herein.

121. This claim is premised on Plaintiffs' right to pursue all Labor Code claims on behalf of Aggrieved Employees per *Huff v. Securitas Security Services USA, Inc*. (2018) 23 Cal. App. 5th 745.

122. Plaintiffs are informed and believe, and based thereon allege, that based on the misconduct alleged in this Complaint, Defendants failed to authorize and permit Plaintiffs to receive a rest period of at least 10 minutes on a separate hourly basis when paid commissions or otherwise to provide paid ten-minute rest periods for every four (4) hours or major fraction thereof worked per day, and by failing to provide premium wages at the regular rate of pay when these periods were not permitted or authorized, Defendants willfully violated the provisions of Labor Code § 226.7, and the applicable IWC Wage Order.

123. Plaintiffs are informed and believe, and based thereon allege that based on the misconduct alleged in this Complaint, Defendants failed to pay premium pay for Plaintiffs' missed meal breaks DEFENDANT EMPLOYER failed to provide or authorize.

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124. At all material times, DEFENDANT EMPLOYER and DOES 1 through 50 were and/or are Aggrieved Employees' employers or persons acting on behalf of Aggrieved Employees' employer, within the meaning of California Labor Code § 558, who violated or caused to be violated, a section of Part 2, Chapter 1 of the California Labor Code or any provision regulating hours and days of work in any Order of the Industrial Welfare Commission and, as such, are subject to penalties for each underpaid employee as set for in Labor Code § 558.

125. In committing the violations of state law as herein alleged, Plaintiffs are informed and believe and based thereon allege that Defendants have knowingly and willfully refused to perform their obligations to compensate Aggrieved Employees for all wages earned and all hours worked.

126. As a direct result, Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such compensation, wages, lost interest on such monies and expenses and attorneys' fees in seeking to compel Defendants to fully perform their obligations under state law, all to their respective damage in amounts according to proof at trial and within the jurisdictional limitations of this Court.

127. Cal. Labor Code § 2699, *et seq.* imposes upon all culpable Defendants a penalty of one hundred dollars ($100.00) for each aggrieved employee per pay period for the initial violation and two hundred ($200.00) for each aggrieved employee per pay period for each subsequent violation in which all culpable Defendants violated Cal. Labor Code § 226.7, the exact amount of the applicable penalty is all in an amount to be shown according to proof at trial.

128. Wherefore, Plaintiffs request all remedies available to them pursuant to the PAGA.

129. Wherefore, Plaintiffs request all remedies available to them and to the putative Class.

## FIFTH CAUSE OF ACTION

**Individual, Class, and Representative Claim under the PAGA for Failure to Indemnify/Reimburse Business Expenses in Violation of California Labor Code § 1198, 2802, and the applicable Wage Order**

(Against all Defendants)

130. Plaintiffs re-allege and incorporate by reference the foregoing allegations as though set forth herein.

131. California Labor Code § 2802 requires employers to indemnify their employees for expenses and losses incurred while discharging their duties or obedience to the directions of their employer.

132. California Labor Code § 2804 mandates that this statutory right cannot be waived.

133. The Plaintiffs incurred losses in obedience to the directions of Defendants in the form of purchase of work-related expenses described in this Complaint.

134. As a direct result of Defendants' violation of California Labor Code § 2802, the Plaintiffs and Class Members suffered and continue to suffer substantial losses related to unpaid expenses, the use and enjoyment of monies owed, lost interest on monies owed, and attorneys' fees in an amount to be proven at the time of trial.

135. Defendants derive an unjust and inequitable economic benefit in failing to comply with the law regarding indemnification and reimbursement of employees.

136. Plaintiffs request all remedies available to them and to the putative Class for Defendants' violations of California Labor Code § 2802, including but not limited to back-owed reimbursement for work-related expenses, interest, statutory and equitable attorneys' fees, costs, and applicable penalties in an amount to be proven at trial.

137. Further, Plaintiffs request all remedies available to them pursuant to the PAGA.

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## SIXTH CAUSE OF ACTION

**Individual, Class, and Representative Claim under the PAGA for Violations of California Labor Code §§ 226 and 1198**

(Against all Defendants)

138. Plaintiffs re-allege and incorporate by reference the foregoing allegations as though set forth herein.

139. Plaintiffs allege that Labor Code § 226 subdivision (a) requires, in pertinent part, that every employer shall, "semimonthly or at the time of each payment of wages, shall furnish to his or her employees, either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee. . . (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number…, (8) the name and address of the legal entity that is the employer. . ., and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee and, beginning July 1, 2013, if the employer is a temporary services employer as defined in Section 201.3, the rate of pay and the total hours worked for each temporary services assignment. . ." (Labor Code § 226 subdivision (a).)

140. Likewise, California Labor Code § 226, subdivisions (b) and (c), require employers doing business in the State of California to provide current and former employees access to their payroll records.

141. Upon information and belief, during all times relevant to this action, Defendants did not provide accurate wage statements throughout the Class Period.

142. Plaintiffs allege that on numerous occasions, an exact amount by which will be proven at trial, Defendants violated various provisions of § 226, including but not limited to subdivisions (a)(1), (a)(2), (a)(4), (a)(5), (a)(6), (a)(8), and (a)(9) by failing to provide Plaintiffs accurate itemized statement in writing accurately showing gross wages earned, total hours worked by the employee, net wages earned, among other things.

143. At all material times DEFENDANT EMPLOYER and DOES 1 through 50 were and/or are Aggrieved Employees' employers or persons acting on behalf of Aggrieved Employees' employer, within the meaning of California Labor Code § 558, who violated or caused to be violated, a section of Part 2, Chapter 1 of the California Labor Code or any provision regulating business hours and days of work in any Order of the Industrial Welfare Commission and, as such, are subject to penalties for each underpaid employee as set forth in Labor Code § 558.

144. In committing the violations of state law as herein alleged, Defendants have knowingly and willfully refused to perform their obligations to compensate Aggrieved Employees for all wages earned and all hours worked.

145. As a direct result, Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such compensation, wages, lost interest on such monies and expenses and attorney's fees in seeking to compel Defendants to fully perform their obligations under state law, all to their respective damage in amounts according to proof at trial and within the jurisdictional limitations of this Court.

146. Labor Code § 2699, *et seq.* imposes upon Defendants, and each of them, a penalty of one hundred dollars ($100.00) for each aggrieved employee per pay period for the initial violation and two hundred ($200.00) for each aggrieved employee per pay period for each subsequent violation in which DEFENDANT EMPLOYER violated Labor Code § 226, the exact amount of the applicable penalty is all in an amount to be shown according to proof at trial.

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147. For Defendants' misconduct as alleged in this Complaint, Plaintiffs seek damages, penalties, costs, and attorneys' fees available to them pursuant to the Labor Code including but not limited to §§ 226, 226.3, 226.6, and the PAGA in an amount to be proven at trial.

**SEVENTH CAUSE OF ACTION**

**Individual, Class, and Representative Claim under the PAGA for Failure to Pay Timely Earned Wages during Employment and Upon Separation of Employment in Violation of California Labor Code §§ 201, 202, 203, 204 and/or 204b, 218.5, and 218.6**

(Against all Defendants)

148. Plaintiffs re-allege and incorporate by reference the foregoing allegations as though set forth herein.

149. This claim is premised on Plaintiffs' right to pursue all Labor Code claims on behalf of Aggrieved Employees per *Huff v. Securitas Security Services USA, Inc*. (2018) 23 Cal. App. 5th 745.

150. Pursuant to Labor Code § 201, "If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately."

151. Pursuant to Labor Code § 202, "If an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting."

152. Labor Code § 203 provides, in pertinent part: "If an employer willfully fails to pay, without abatement or reduction, ... any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefore is

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commenced; but the wages shall not continue for more than 30 days. ..."

153. Pursuant to Labor Code § 204, "all wages … 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."

154. Alternatively, pursuant to Labor Code § 204b, employers must pay its employees on a weekly basis on a regular day determined by the employer as the regular payday.

155. Pursuant to Labor Code §§ 218.5 and 218.6, an action may be brought for the nonpayment of wages and fringe benefits.

156. Plaintiffs are informed and believe and based thereon allege that some Aggrieved Employees were not properly paid pursuant to the requirements of Labor Code §§ 201, 202, and 204/204b and thereby seek all remedies available to them.

157. At all material times, DEFENDANT EMPLOYER and DOES 1 through 50 were and/or are Aggrieved Employees' employers or persons acting on behalf of Aggrieved Employees' employer, within the meaning of California Labor Code § 558, who violated or caused to be violated, a section of Part 2, Chapter 1 of the California Labor Code or any provision regulating hours and days of work in any Order of the Industrial Welfare Commission and, as such, are subject to penalties for each underpaid employee as set for in Labor Code § 558.

158. In committing the violations of state law as herein alleged, Defendants have knowingly and willfully refused to perform their obligations to compensate Aggrieved Employees for all wages earned and all hours worked.

159. As a direct result, Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such compensation, wages, lost interest on such monies and expenses and attorney's fees in seeking to compel Defendants to full perform their obligation under state law, all to their respective damage in amounts according to proof at trial and within the jurisdictional limitations of this Court.

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160. Labor Code § 2699, *et seq.* imposes upon Defendants, and each of them, a penalty of one hundred dollars ($100.00) for each aggrieved employee per pay period for the initial violation and two hundred ($200.00) for each aggrieved employee per pay period for each subsequent violation in which DEFENDANT EMPLOYER violated Labor Code §§ 201, 202, 203, and 204/204b. The exact amount of the applicable penalty is all in an amount to be shown according to proof at trial.

161. Wherefore, Plaintiffs request all remedies available to them pursuant to the PAGA.

162. Wherefore, Plaintiffs request all remedies available to them and to the putative Class.

**EIGHTH CAUSE OF ACTION**

**Individual and Representative Claim for PAGA Penalties**
**For Failure to Maintain and Provide Required Records in Violation of California Labor Code § 1174**
**and the Applicable Wage Order and/or § 1198**

(Against all Defendants)

163. Plaintiffs re-allege and incorporate by reference the foregoing allegations as though set forth herein.

164. This claim is premised on Plaintiffs' right to pursue all Labor Code claims on behalf of Aggrieved Employees per *Huff v. Securitas Security Services USA, Inc*. (2018) 23 Cal. App. 5th 745.

165. Section 7 of the typical Wage Order requires every employer to maintain time and payroll records.

166. Plaintiffs are informed and believe and based thereon alleges that during all times relevant, Defendants failed to comply with § 7 of the applicable IWC Orders and with Labor Code § 1174 by failing to maintain certain records which employers are required to maintain, including but not limited to, an accurate record indicating the number hours worked by the Plaintiffs, evidenced in part by Defendants failure to

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provide the named Plaintiff's time records despite his request.

167. Cal. Labor Code § 2699, *et seq.* imposes upon all culpable Defendants a penalty of one hundred dollars ($100.00) for each aggrieved employee per pay period for the initial violation and two hundred ($200.00) for each aggrieved employee per pay period for each subsequent violation in which all culpable Defendants violated the applicable Cal. Labor Code provisions alleged in this Complaint, the exact amount of the applicable penalty is in an amount to be shown according to proof at trial.

168. Wherefore, Plaintiffs request all remedies available to them pursuant to the PAGA.

**<u>NINTH CAUSE OF ACTION</u>**

**Individual and Class Claim for Remedies for Violations of the California Unfair Business Practices Code §§ 17200, *et seq.***

(Against all Defendants)

169. Plaintiffs re-allege and incorporate by reference the foregoing allegations as though set forth herein.

170. Defendants, and each of them, are "persons" as defined under Business and Professions Code § 17021.

171. Plaintiffs are informed and believe and based thereon allege that Defendants committed the unfair business practices, as defined by Cal. Bus. & Prof. Code § 17200, *et seq.*, by violating the laws alleged to have been violated in this Complaint and which allegations are incorporated herein by reference and which allegations include, but are not limited to:

a. Failing to provide the Class and Plaintiffs an accurate itemized wage statement in violation of § 226 of the Labor Code;

b. Failing to pay the Class and Plaintiffs all wages due and owing including minimum/regular wages and overtime

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compensation, minimum wages and overtime, and meal and rest break premiums;

c. Failure to pay Class Members, including Plaintiffs, wages in a timely manner upon their termination or resignation; and

d. Failure to reimburse employees for all employer incurred expenses.

172. Defendants' conduct, as alleged above, constitutes unlawful, unfair, and fraudulent activity prohibited by Business and Professions Code §§ 17200, *et seq.*

173. The unlawful and unfair business practices conducted by Defendants, and each of them, are ongoing and present a threat and likelihood of continuing against Plaintiffs and, accordingly, Plaintiffs seek injunctive relief where appropriate.

174. Plaintiffs have suffered injury in fact and lost money or property because of the aforementioned unfair competition.

175. Because of their improper acts, Defendants, and each of them, have reaped and continue to reap unfair benefits and illegal profits at the expense of Plaintiffs and other employees and former employees of Defendants, and each of them.

176. Defendants, and each of them, should be enjoined from this activity and made to disgorge these ill-gotten gains and restore to Plaintiffs and the Class the wrongfully withheld wages and/or penalties, pursuant to Business and Professions Code §§ 17202 and/or 17203.

177. Plaintiffs and the Class have also incurred and continue to incur attorneys' fees and legal expenses in an amount according to proof at the time of trial and for which they seek compensation pursuant to law including but not limited to Code of Civil Procedure § 1021.5.

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## TENTH CAUSE OF ACTION

**Individual and Representative Claim for Penalties via the PAGA Under California Labor Code §§ 2698, 2699, *et seq.* for Individual and Representative Claim for PAGA Penalties and Wage Under California Labor Code §§ 2698, 2699, *et seq.* for Violations of California Labor Code subdivision (k) of Section 96, Sections 98.6, 201.5, 201.7, 203.1, 203.5, 204a, 204.1, 204.2, 205, 205.5, 206, 206.5, 208, 209, and 212, subdivision (d) of Section 213, Sections 221, 222, 222.5, 223, 224, 227, 227.3, 230, 230.1, 230.2, 230.3, 230.4, 230.7, 230.8, and 231, subdivision (c) of Section 232, subdivision (c) of Section 232.5, Sections 233, 234, 245-249, 351, 353, and 403, subdivision (b) of Section 404, Sections 432.2, 432.5, 432.7, 435, 450, 511, 513, 551, 552, 601, 602, 603, 604, 750, 751.8, 800, 850, 851, 851.5, 852, 921, 922, 923, 970, 973, 976, 1021, 1021.5, 1025, 1026, 1101, 1102, 1102.5, 1153, 1197.5, 1198 via the appliable Wage Order, subdivision (b) of Section 1198.3, Sections 1199.5, 1290, 1292, 1293, 1293.1, 1294, 1294.1, 1294.5, 1296, 1297, 1298, 1301, 1308, 1308.1, 1308.7, 1309, 1309.5, 1391, 1391.1, 1391.2, 1392, 1683, and 1695, subdivision (a) of Section 1695.5, Sections 1695.55, 1695.6, 1695.7, 1695.8, 1695.9, 1696, 1696.5, 1696.6, 1697.1, 1700.25, 1700.26, 1700.31, 1700.32, 1700.40, 1700.47, 1735, 1777.5, 2651, and 2673, subdivision (a) of Section 2673.1, Sections 2695.2, 2751, 2800, 2801, 2806, and 2810, subdivision (b) of Section 2929, and Sections 3073.6, 6310, 6311, and 6399.7 and the Applicable Wage Order**

(Against all Defendants)

178. Plaintiffs re-allege and incorporate by reference the foregoing allegations as though set forth herein.

179. This claim is premised on Plaintiffs' right to pursue all Labor Code claims on behalf of Aggrieved Employees per *Huff v. Securitas Security Services USA, Inc*. (2018) 23 Cal. App. 5th 745.

180. Pursuant to Labor Code § 2699, any provision of the Labor Code that

provides for a civil penalty to be assessed and collected by the LWDA or any of its departments, divisions, commissions, boards, agencies or employees for violation of the code may, as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of himself or herself and other current or former employees pursuant to the procedures specified in Labor Code § 2699.3.

181. Plaintiffs are informed and believe, and based thereon allege that because of the acts alleged above and Defendants' violations of the Labor Code provisions alleged herein, Plaintiffs are entitled to penalties under Labor Code §§ 2698 and 2699.

182. Plaintiffs are "aggrieved employees" because Plaintiffs were employed by the alleged violator and had one or more of the alleged violations committed against Plaintiffs, and therefore are properly suited to represent the interests of other current and former Represented Employees.

183. Labor Code § 2699(f) imposes upon Defendants, and each of them, civil penalties of one hundred dollars ($100) per pay period, per aggrieved employee for initial violations, and two hundred dollars ($200) per pay period, per aggrieved employee for subsequent violations for all Labor Code provisions for which a civil penalty is not specifically provided.

184. Labor Code § 2699, *et seq.* imposes upon Defendants, and each of them, penalties for violating Labor Code subdivision (k) of Section 96, Sections 98.6, 201.5, 201.7, 203.1, 203.5, 204a, 204.1, 204.2, 205, 205.5, 206, 206.5, 208, 209, and 212, subdivision (d) of Section 213, Sections 221, 222, 222.5, 223, 224, 227, 227.3, 230, 230.1, 230.2, 230.3, 230.4, 230.7, 230.8, and 231, subdivision (c) of Section 232, subdivision (c) of Section 232.5, Sections 233, 234, 245-249, 351, 353, and 403, subdivision (b) of Section 404, Sections 432.2, 432.5, 432.7, 435, 450, 511, 513, 551, 552, 601, 602, 603, 604, 750, 751.8, 800, 850, 851, 851.5, 852, 921, 922, 923, 970, 973, 976, 1021, 1021.5, 1025, 1026, 1101, 1102, 1102.5, 1153, 1197.5, 1198 via the applicable Wage Order, subdivision (b) of Section 1198.3, Sections 1199.5, 1290,

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1292, 1293, 1293.1, 1294, 1294.1, 1294.5, 1296, 1297, 1298, 1301, 1308, 1308.1, 1308.7, 1309, 1309.5, 1391, 1391.1, 1391.2, 1392, 1683, and 1695, subdivision (a) of Section 1695.5, Sections 1695.55, 1695.6, 1695.7, 1695.8, 1695.9, 1696, 1696.5, 1696.6, 1697.1, 1700.25, 1700.26, 1700.31, 1700.32, 1700.40, 1700.47, 1735, 1777.5, 2651, and 2673, subdivision (a) of Section 2673.1, Sections 2695.2, 2800, 2801, 2806, and 2810, subdivision (b) of Section 2929, and Sections 3073.6, 6310, 6311, and 6399.7.

185. Labor Code § 558 establishes a civil penalty as follows: Any employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission (including the "Hours and Days of Work" section of the Wage Order) shall be subject to a civil penalty of (1) for any initial violation, fifty dollars ($50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; (2) for each subsequent violation, one hundred dollars ($100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; and (3) wages recovered pursuant to this section shall be paid to the affected employee.

186. Wherefore, Plaintiffs request all remedies available to them pursuant to the PAGA.

## PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for judgment against Defendants as follows:

1. An order that this action may proceed and be maintained as a class action;

2. For appointment of the named Plaintiffs as the representatives of the Class;

3. For appointment of counsel for Plaintiffs as Class Counsel;

4. That the Court award to Plaintiffs and/or the Class and/or Aggrieved

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Employees damages for the amount subject to proof at trial;

5. For payment of all unpaid reimbursements subject to proof at trial;

6. That Defendants, and each of them, be ordered and enjoined to pay restitution to Plaintiffs and/or the Class and/or Aggrieved Employees pursuant to Business and Professions Code §§ 17200-05;

7. That Defendants, and each of them, be required to issue to Plaintiffs and/or the Class and/or Aggrieved Employees accurate wage and earning statements;

8. For maximum civil penalties available under the Labor Code and applicable Wage Order as described more particularly in this Complaint, representative PAGA claims including the payment of wages as set forth in Labor Code § 558;

9. For Labor Code § 226(e) penalties in the amount of $4,000.00;

10. For costs, interest, special and general damages;

11. That Plaintiffs and/or the Class and/or Aggrieved Employees be awarded reasonable attorneys' fees where available by law, including but not limited to pursuant to Labor Code §§ 2698, *et seq.*, Code of Civil Procedure § 1021.5, and/or other applicable laws; and

12. Such other and further relief as this Court may deem proper and just.

Dated: March 6, 2025

Law Office of
Thomas D. Rutledge

By: /s/*Thomas D. Rutledge*
Thomas D. Rutledge
Attorneys for Plaintiffs

## **DEMAND FOR JURY TRIAL**

Plaintiffs hereby demand a jury trial of this matter.

Dated: March 6, 2025

Law Office of
Thomas D. Rutledge

By: /s/*Thomas D. Rutledge*
Thomas D. Rutledge
Attorneys for the Plaintiffs

**Thomas D. Rutledge**
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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO-CENTRAL DIVISION

| | | |
|---|---|---|
| MICHELLE JACKSON, individually and as an aggrieved employee pursuant to the Private Attorneys General Act (PAGA) on behalf of the State of California and other aggrieved employees,<br><br>Plaintiffs,<br><br>vs.<br><br>ALLIANT INTERNATIONAL UNIVERSITY, INC., a California corporation; and DOES 1 through 50,<br><br>Defendants.<br><br>AND RELATED CASES | ) | Case No.: 37-2023-00043742-CU-OE-CTL (Related Case No.: 37-2024-00002100-CU-OE-CTL)<br><br>Dept.: 73<br>Judge: Hon. Joel R. Wohlfeil<br><br>**[PROPOSED] ORDER** |

# **[PROPOSED] ORDER**

Under the terms of the parties' stipulation and based on good cause stated therein, it is so ORDERED that:

1. The case entitled Augustin, *et al.* v. Alliant International University, Inc., *et al*. Case No.: 37-2024-00002100-CU-OE-CTL shall be consolidated with the case entitled Jackson, *et al.* v. Alliant International University, Inc., *et al*. Case No.: 37-2023-00043742-CU-OE-CTL.

2. Plaintiffs may file a Second Amended Complaint in the case entitled Jackson, *et al.* v. Alliant International University, Inc., *et al*. Case No.: 37-2023-00043742-CU-OE-CTL.

3. All future trial and discovery dates are vacated.

Dated: ________________

___________________________________
Hon. Joel R. Wohlfeil
Judge of the Superior Court of California
County of San Diego

# Exhibit 3

PHOENIX
CLASS ACTION ADMINISTRATION SOLUTIONS

**January 8, 2025**

**CASE ASSUMPTIONS**

| | |
|---|---|
| Class Members | 681 |
| Opt Out Rate | N/A |
| Opt Outs Received | |
| Total Class Claimants | 681 |
| Subtotal Admin Only | **$7,094.43** |

**Flat Fee Total** **$7,000.00**

**For 681 Class Members**

**Pricing Good for Scope of Estimate Only**

**All Aspects of Escheating to the State of CA Included**

## Case: University Employer, PAGA Administration

**Phoenix Contact: Michael E. Moore**
**Contact Number: 949.331.0131**
**Email: mike@phoenixclassaction.com**

**Requesting Attorney: Ronald Albay**
**Firm: Law Office of Thomas Rutledge**
**Contact Number: (619) 886-7224**
**Email: ronald.d.albay@gmail.com**

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly.
Estimate is based on **681** Class Members. Class data **Must** be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of $150 per hour will be charged for any additional analysis or programming. Pricing good for 90 day

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

| Administrative Tasks: | Rate | Hours/Units | Line Item Estimate |
|---|---|---|---|
| Programming Manager | $100.00 | 2 | $200.00 |
| Programming Database & Setup | $100.00 | 1 | $100.00 |
| Toll Free Setup* | $100.00 | 1 | $100.00 |
| Call Center & Long Distance | $2.50 | 109 | $272.40 |
| NCOA (USPS) | $120.00 | 1 | $120.00 |
| | | **Total** | **$792.40** |

* Up to 120 days after disbursement

**Data Merger & Scrub / PAGA Letter & Check / Postage**

| Project Action | Rate | Hours/Units | Line Item Estimate |
|---|---|---|---|
| Notice Packet Formatting | $100.00 | 1 | $100.00 |
| Data Merge & Duplication Scrub | $0.09 | 681 | $61.29 |
| PAGA Letter and Check Packet | $1.00 | 681 | $681.00 |
| Estimated Postage (up to 1 oz.)* | $0.64 | 681 | $435.84 |
| | | **Total** | **$1,278.13** |

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

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

| Skip Tracing & Remailing PAGA Packets / Tracking & Programming Undeliverables | | | |
|---|---|---|---|
| **Project Action:** | **Rate** | **Hours/Units** | **Line Item Estimate** |
| Case Associate | $55.00 | 4 | $220.00 |
| Skip Tracing Undeliverables | $0.75 | 138 | $103.50 |
| Remail PAGA Packets | $1.00 | 135 | $135.00 |
| Estimated Postage | $0.64 | 135 | $86.40 |
| Programming Undeliverables | $50.00 | 1 | $50.00 |
| | | **Total** | **$594.90** |

| Case Management | | | |
|---|---|---|---|
| **Project Action:** | **Rate** | **Hours/Units** | **Line Item Estimate** |
| Case Associate | $55.00 | 5 | $275.00 |
| Case Manager | $85.00 | 4 | $340.00 |
| | | **Total** | **$615.00** |

| Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks | | | |
|---|---|---|---|
| **Project Action:** | **Rate** | **Hours/Units** | **Line Item Estimate** |
| Programming Calculations | $135.00 | 1 | $135.00 |
| Disbursement Review | $135.00 | 2 | $270.00 |
| Programming Manager | $95.00 | 2 | $190.00 |
| QSF Bank Account & EIN | $135.00 | 1 | $135.00 |
| Check Run Setup & Printing | $135.00 | 5 | $675.00 |
| | | **Total** | **$1,405.00** |

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

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

| Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations | | | |
|---|---|---|---|
| **Project Action:** | **Rate** | **Hours/Units** | **Line Item Estimate** |
| Case Supervisor | $115.00 | 3 | $345.00 |
| Remail Undeliverable Checks (Postage Included) | $1.50 | 76 | $114.00 |
| Case Associate | $55.00 | 3 | $165.00 |
| Reconcile Uncashed Checks | $85.00 | 4 | $340.00 |
| Conclusion Reports | $115.00 | 2 | $230.00 |
| Case Manager Conclusion | $85.00 | 2 | $170.00 |
| Final Reporting & Declarations | $115.00 | 3 | $345.00 |
| QSF Annual Tax Reporting * (State Tax Reporting & Escheating Uncashed Checks to the State of CA included) | $700.00 | 1 | $700.00 |
| | | **Total** | **$2,409.00** |

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

| | |
|---|---|
| **Estimate Total:** | **$7,094.43** |

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

# TERMS AND CONDITIONS

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

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

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

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

**Tax Reporting Requirements**

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

1. Defendant's California State ID and Federal EIN.

2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.

3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.

4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.

5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.

## PROOF OF SERVICE

STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

I, THOMAS D. RUTLEDGE, the undersigned, am employed in the County of San Diego, State of California; I am over the age of 18 and not a party to the within action; my business address is 16956 Via de Santa Fe, Suite 1847, Rancho Santa Fe, California 92091-4606.

On March 11, 2025, I served the foregoing document(s) described as:

**DECLARATION OF THOMAS D. RUTLEDGE ISO PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS AND PAGA ACTION SETTLEMENT**

on the interested parties to this action by placing a copy thereof enclosed in a sealed envelope addressed as follows: **See Attached List.**

☐**(BY MAIL)** I am readily familiar with the business practice for collection and processing of correspondence for mailing with the United States Postal Service. This correspondence was deposited with the United States Postal Service this same day in the ordinary course of business at our Firm's office address in San Diego, California. Service made pursuant to this paragraph, upon motion of a party served, shall be presumed invalid if the postal cancellation date of postage meter date on the envelope is more than one day after the date of deposit for mailing contained in this affidavit.

☒**(BY E-MAIL via E-file)** I am readily familiar with the business practice for collection and processing of correspondence for emailing with the Court authorized third-party vendor. This correspondence was sent via email via this third-party vendor pursuant to the vendor's policies and practices.

☐(BY OVERNIGHT DELIVERY SERVICE) I served the foregoing document by Federal Express, an express service carrier which provides overnight delivery, as follows. I placed true copies of the foregoing document in sealed envelopes or packages designated by the express service carrier, addressed to each interested party as set forth above, with fees for overnight delivery paid or provided for.

☐(BY PERSONAL SERVICE) I caused such envelope to be delivered by hand to the offices of the above named addressee(s).

☐(BY FACSIMILE) I caused such documents to be delivered via facsimile to the offices of the addressee(s) at the following facsimile number:

Executed March 11, 2025, at San Diego, California.

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

*/s/THOMAS D. RUTLEDGE*
THOMAS D. RUTLEDGE

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