

1 both online training and Field Week are paid below the minimum wage for their hours worked, are
2 not paid overtime for hours worked in excess of 40, and are not reimbursed for business expenses
3 such as cell phone or mileage. Typically, a participant in Field Week works between 50-60 + hours
4 to generate the 10 FTAs and 4 coffee dates required for full time employment.

5 5. Plaintiff contends that during the training period, Defendants allegedly do not
6 maintain a lawful meal and/or rest break policy, and all salespersons are not provided with proper
7 meal and rest periods in compliance with California law. Moreover, as a matter of policy and/or
8 practice, Defendants allegedly failed to pay Ms. Furnia and all other similarly situated aggrieved
9 employees one hour of pay at the regular rate of pay for each workday that a 30-minute duty-free
10 meal period and 10-minute duty-free rest periods were not provided.²

11 6. Plaintiff further contends that throughout the sales employees employment,
12 Defendants maintain a phantom “reimbursement policy” whereby sales employees are not
13 compensated for all (and/or any) of their reimbursable business expenses. Specifically, Defendants
14 policy purports to reimburse sales employees for expenses by simply classifying 25 percent of a
15 salespersons’ total gross sales compensation as “business expense reimbursement” without actually
16 paying the employees reimbursement compensation The expense policy also caps cell phone
17 reimbursement at \$75 per month (assuming that an employee met the 25% expense to commission
18 threshold for submission of additional expenses) and refuses to reimburse sales employees for any
19 mileage up to 1,000 miles per month.

20 7. Plaintiff also asserts that Defendants regularly made unlawful deductions from
21 Salespersons’ earned wages, including Salespersons’ vested portfolio equity in customer accounts.
22 As an example, sales employees are entitled to residual commissions for life as part of Heartland’s
23 sales compensation policies. Notwithstanding salespersons’ vested rights in residual commissions,
24 Heartland regularly and without proper notice conducts forced “Portfolio Buyouts” of those
25 commissions to purportedly repay Heartland for monies that Heartland contends Salespersons owe
26 Heartland, even though such monies include reimbursable business expenses, bridge compensation,

27 ² Plaintiff’s civil penalty claims for minimum wages, overtime, failure to provide meal periods, and
28 failure to authorize rest periods apply primarily to aggrieved employees initial two-week training
period given the outside salesperson exemption contained in the applicable California wage orders,
including Wage Order 4-2001.

1 and other amounts (commonly referred to as “A/R Balances”) that are actually owed by Heartland
2 to Salespersons. This amounts to wage theft.

3 8. Plaintiff further takes the position that Heartland’s sales agreements (commission
4 contracts) are facially invalid and do not comply with the requirements of California Labor Code §
5 2751. In this regard, Ms. Furnia and other aggrieved employees were not provided with a signed
6 employment contract detailing all requirements of LC 2751, including “the method by which
7 commissions shall be computed and paid.” Plaintiff and other aggrieved employees’ signed
8 employment agreements do not include sales commission details, including how commissions were
9 to be computed and paid. Thus, Plaintiff alleged that Heartland fails to maintain a clear and
10 unambiguous commission plan for which employees understood precisely how commissions would
11 be paid and what commission payments they would receive as part of the services rendered.

12 9. Finally, Plaintiff contends that Heartland’s employment agreements have several
13 confidentiality and non-disclosure provisions which contravene California law. In particular, the
14 California Sales Employee Agreement states, among other things, that information regarding
15 “personnel training,” “support and development programs and materials,” “operating procedures,”
16 compensation schedules and reports,” “and any other information concerning HPS or any of its
17 affiliates or the business of HPS or any of its affiliates or any employees” is considered “Confidential
18 Information” and shall be kept in strict confidence during employment and “thereafter.” These overly
19 restrictive non-disclosure provisions are then reinforced in other sales policies and employee
20 agreements.

21 10. Based on the above, Plaintiff served her PAGA letter on the Labor and Workforce
22 Development Agency (LWDA) on October 5, 2023, and supplemental PAGA letter on December
23 29, 2023. Plaintiff thereafter filed her PAGA Complaint on January 12, 2024, and her First Amended
24 Complaint on, March 12, 2024 on behalf of herself and other aggrieved employees adding violations
25 of Labor Code §§ 232, 232.5, 432.5, 1102.5, 1197.5 due to the above-referenced confidentiality
26 provisions that allegedly violated California law.

27 11. The operative First Amended Complaint (“FAC”) alleges: (1) the failure to
28 compensate Plaintiff and similarly situated aggrieved employees for their earned wages during
employment and upon separation of employment, in violation of Labor Code §§ 510, 1194 and

1 1194.2; (2) the failure to provide legally compliant meal and rest breaks in violation of Labor Code
2 §§ 226.7 and 512; (3) the failure to reimburse Plaintiff and the aggrieved employees for all of their
3 business related expenses incurred in the performance of their job duties in violation of Labor Code
4 § 2802; (4) unlawful deductions from Plaintiffs' earned wages, in violation of Labor Code § 221 et.
5 seq.; (5) the failure to provide accurately itemized wage statements with all required information in
6 violation of Labor Code §§ 226(a) and 246(h); (6) unlawful commission contracts in violation of
7 Labor Code § 2751; and (7) unlawful prohibition of disclosure of information (unlawful
8 confidentiality) in violation of Labor Code §§ 232, 232.5; 432.5, 1102.5, and 1197.5. (A true and
9 correct copy of the FAC, along with Plaintiff's PAGA letters are collectively attached hereto as
10 **Exhibit 2**).

11 12. Shortly after filing, Plaintiff aggressively pursued this action and propounded
12 substantial written discovery, including requests for aggrieved employee contact information through
13 the Belaire-West notice process. After receiving the extensive aggrieved employee list, Plaintiff
14 conducted witness outreach to over one hundred aggrieved employees. Since the beginning of this
15 case in January 2024, I have been the primary attorney handling the litigation and have been closely
16 involved with the investigation, discovery and prosecution of the claims asserted. My law firm was
17 responsible for generating the case and has been directly involved in all facets of the matter through
18 the present. My office conducted over 50 interviews with former employees during the pendency of
19 this case as part of our investigation and discovery process.

20 13. Plaintiff obtained, through formal and (later) informal written discovery, a sampling
21 of (1) Defendants' payroll records for 10% of all Aggrieved Employees between October 5, 2022 to
22 March 11, 2025; (2) Defendants' commission records for 10% of all Aggrieved Employees between
23 October 5, 2022 and March 11, 2025; (3) Defendants' relevant policy documents applicable
24 between October 5, 2022 and March 11, 2025, including multiple versions of the employee
25 handbooks, multiple travel and expenses documents, sales policy, commission, and expense
26 reimbursement policy documents; (4) Defendants' sales employee agreements applicable to the
27 Aggrieved Employees for 10% of all Aggrieved Employees between October 5, 2022 and March
28 11, 2025; and (5) a 3% sample of A/R, true up, and portfolio buyout information for 3% of the all
Aggrieved Employees between October 5, 2022 and March 11, 2025. This documentation consisted

1 of several thousands of pages of records and hundreds of Excel spreadsheets. From this information,
2 Plaintiff was able to derive relevant data points, including the number of Aggrieved Employees, the
3 estimated number of pay periods between October 5, 2022 to April 30, 2025 (15,910).

4 14. Thereafter, the parties agreed to attend mediation and informally stay depositions and
5 discovery. Plaintiff engaged an expert to calculate the total penalties exposure, and on April 3, 2025,
6 the Parties participated in an all-day mediation presided over by experienced wage and hour
7 mediator, the Honorable Judge Amy Hogue (ret.), which ultimately led to this Agreement to settle
8 the Action.

9 **Summary of the Settlement**

10 15. The proposed Joint Stipulation of PAGA Settlement and Release Agreement
11 (“Settlement Agreement”) calls for Defendants Heartland Payment Systems LLC and Global
12 Payments, Inc. (“Defendants”) to pay into a common fund a Gross Settlement Amount of **\$1.2**
13 **million** (\$1,200,000.00) within 20 days after Settlement Approval. (See Exhibit 1.)

14 16. Prior to distributing the settlement funds to the aggrieved employees, the Settlement
15 Administrator shall perform a search based on the National Change of Address Database for
16 information to update and correct for any known or identifiable address changes. Any Settlement
17 Cover Letter returned to the Settlement Administrator as non-deliverable will be sent promptly via
18 regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement
19 Administrator will indicate the date of such re-mailing on the Settlement Cover Letter. If no
20 forwarding address is provided, the Settlement Administrator will promptly attempt to determine
21 the correct address using a skip-trace, or other search using the name, address, and/or Social
22 Security number of the PAGA Member involved and will then perform a single re-mailing. (See
23 Exhibit. 1, p. 7 ¶ 33.)

24 17. PAGA Members covered by the Settlement Agreement consist of all current and
25 former outside sales employees who were employed by Defendants in California and who work or
26 worked as non-exempt employees and/or who were alleged to be misclassified as exempt
27 employees during the PAGA Period and who were subject to Defendants’ wage and hour policies
28 and/or practices at any point in time from October 5, 2022 through the date of the final executed

1 settlement agreement resolving the Action, May 8, 2025. The sales positions covered by the
2 settlement are the following: Relationship Manager, Territory Manager, Division Manager, Payroll
3 Division Manager, Senior Product Advisor, Payroll Territory Manager, Jump Start Relationship
4 Manager, Financial Institution Relationship Manager, and Jump Start Senior Product Advisor.

5 18. Plaintiff has agreed to settle the PAGA penalties for a Gross Settlement Fund of
6 **\$1,200,000**. There are approximately **490 employees** covered by this settlement and the
7 estimated **PAGA pay period count is 15,910**. Thus, the settlement calls for an average payment
8 of **\$75.42 per pay period**, which is an excellent settlement. (See Exhibit 1, p. 3 ¶ 12)

9 19. The Gross Settlement Fund includes all attorneys' fees and costs, settlement
10 administration expenses, and penalties payments to the aggrieved employees and the Labor and
11 Workforce Development Agency (LWDA). The Net Settlement Amount to be distributed to the
12 aggrieved employees and the LWDA is approximately **\$778,898**. The Net Settlement Amount will
13 be distributed 75% to the LWDA (**\$584,173.50**), and 25% to the aggrieved employees
14 (**\$194,724.50**). Each of the aggrieved employees will, therefore, receive on average approximately
15 **\$397.40** in penalties. (See Exhibit 1)

16 20. A breakdown of the Gross Settlement Fund of **\$1,200,000.00** is provided below:

- 17 a. Individual Settlement Payment: \$194,724.50;
- 18 b. LWDA Settlement Payment: \$584,173.50;
- 19 c. Attorneys' Fees: \$400,000;
- 20 d. Costs: \$16,123.00;
- 21 e. Administration Expenses Payment: \$4,979.00.

22 21. As part of the settlement, the aggrieved employees release only penalties
23 recoverable under PAGA, and do not release any of their underlying wage claims.

24 22. The "Released Parties" include:

25 Defendants Heartland Payment Systems, LLC and Global Payments Inc. and each of their
26 parents, subsidiaries, affiliates, owners, predecessors, successors, and associated organizations, past
27 and present, and each of their respective trustees, directors, officers, agents, joint employers,
28 attorneys, managing agents, employees, contractors, insurers, representatives, assigns, all persons

1 acting by, through, under, or in concert with any of them, and/or all persons acting on their behalf.

2 The “Released Claims” include:

3 23. All claims for PAGA penalties and penalties under California Labor Code sections
4 §§ 201, 202, 203, 204, 221, 223, 225.5, 226, 226.3, 226.7, 232, 232.5, 256, 432.5, 510, 512, 558,
5 1102.5, 1174, 1174.5, 1194, 1197, 1197.1, 1197.5, 2751, and 2802 that were alleged, or reasonably
6 could have been alleged, based on the facts and allegations in the First Amended Complaint and
7 PAGA notices dated October 5, 2023, and December 29, 2023, underlying the Furnia Action.
8 These claims are released by Plaintiff in her representative capacity as an authorized proxy and
9 agent for the State of California and the LWDA and as a private attorney general acting on behalf
10 of herself and the Aggrieved Employees, for civil penalties under the PAGA, based on any claim
11 that arises under the California Labor Code and that were alleged, or reasonably could have been
12 alleged, based on the facts and allegations in the First Amended Complaint and PAGA notices,
13 including the alleged (1) failure to pay all wages, including minimum wages, straight time wages,
14 and overtime compensation; (2) illegal deductions from earned wages; (3) commissions contracts
15 violations; (4) failure to provide meal periods or provide compensation in lieu thereof; (5) failure
16 to authorize and permit rest periods or provide compensation in lieu thereof; (6) failure to properly
17 maintain and submit accurate itemized wage statements; (7) failure to timely pay all wages owed
18 (at termination or otherwise); (8) failure to reimburse for necessary business expenditures; (9)
19 illegal prohibitions on disclosure of information about wages; (10) illegal prohibition on disclosure
20 of information about working conditions; (11) illegally requiring employees to agree to terms and
21 conditions known by employer to be prohibited by law; (12) illegal prohibition on whistleblowing;
22 (13) illegal prohibition on disclosure of information about wages; and (14) penalties under Labor
23 Code section 2699. (See Exhibit 1, p. 4 ¶ 17).

24 **The Settlement Is The Product of Arm’s Length Negotiations**

25 24. In this action, Defendant produced a sampling of (1) Defendants’ payroll records for
26 10% of all Aggrieved Employees between October 5, 2022 to March 11, 2025; (2) Defendants’
27 commission records for 10% of all Aggrieved Employees between October 5, 2022 and March 11,
28 2025; (3) Defendants’ relevant policy documents applicable between October 5, 2022 and March

1 11, 2025, including multiple versions of the employee handbooks, multiple travel and expenses
2 documents, sales policy documents; (4) Defendants' sales employee agreements applicable to the
3 Aggrieved Employees for 10% of all Aggrieved Employees between October 5, 2022 and March
4 11, 2025; and (5) a 3% sample of A/R, true up, and portfolio buyout information for 3% of the all
5 Aggrieved Employees between October 5, 2022 and March 11, 2025. Defendants also produced a
6 list of allegedly aggrieved employees, and both this Declarant personally as well as Plaintiff's
7 counsel's paralegal spoke to in excess of 50 aggrieved employees, in support of Plaintiffs' alleged
8 claims. Plaintiff also hired statistical expert James Toney to analyze the data on the aggrieved
9 employees and to create models reflecting the total exposure to PAGA penalties in this case.

10 25. After litigating this case for over a year, the parties attended Mediation before the
11 Honorable Judge Amy Hogue (ret.) on April 3, 2025. The mediation was vigorously contested, and
12 at all times, the settlement negotiations were non-collusive, and involved considerable disputes over
13 payment terms. After an all-day mediation before Ms. Hogue, the parties did not settle the matter.
14 However, after continued negotiations over the next several weeks, the parties successfully reached
15 a settlement.

16 26. Plaintiff did not settle this case until she had conducted sufficient investigation into
17 the claims, interviewed current and former non-exempt employees, and reviewed sufficient data to
18 make a settlement determination. This declarant believes the approximate \$75 per pay period
19 settlement is an excellent result and is generally higher than most of the PAGA-only settlements in
20 Los Angeles County, or anywhere for that matter. I base this belief on my own 20 plus year
21 experience litigating PAGA cases, as well as discussions with attorney Richard Pearl, Esq. who is
22 an expert in PAGA litigation and who has developed an extensive PAGA judgment data-base after
23 conducting several years of research on PAGA litigation cases. According to Mr. Pearl, the average
24 pay period settlement for PAGA cases is in the \$20-\$30 range. The mediator in this case, Judge
25 Hogue, echoed similar sentiments regarding the range of average PAGA settlements. Importantly,
26 the settlement will not affect any aggrieved employee's right to pursue underlying Labor Code
27 violations against Defendants if he or she chooses to do so.

28 ///

///

1 **Plaintiffs' Counsel Is Experienced In Similar Litigation And Endorse The Settlement**

2 27. Members of my firm and I are experienced class action and PAGA representative
3 action counsel, including specializing in discrimination, wage and hour, and other employment
4 claims. Some of the class and PAGA actions on which I and my partner have served as Class
5 Counsel include:

- 6 a. *Wilkins, et al. v. Equinox Holdings, Inc.*
7 Los Angeles Superior Court, No.: BC440058
- 8 b. *TBC Retail Group Wage and Hour Cases*
9 Los Angeles Superior Court, No.: JCCP No. 4701
- 10 c. *Casserly v. Randstad US, L.P. et al.*
11 United States District Court, Central District of California
12 Case No. SACV 12-1023-DOC(ANx)
- 13 d. *Crilly v. Micro Electronics, Inc.*
14 Orange County Superior Court, No.: 30-2013-00662586-CU-OE-CXC
- 15 e. *Concho, et al. v. Pipeline Carriers, Inc. et al.*
16 Orange County Superior Court, No.:30:2013-00649600-DU-OE-CXC
- 17 f. *Holsted et al. v. R.J. Noble Company et. al.*
18 Orange County Superior Court, No.:30:2010-00379770-CU-OE-CXC
- 19 g. *Piggue v. Chief Protective Services, Inc.*
20 Orange County Superior Court, No.:30-2013-00688107-CU-OE-CXC
- 21 h. *Walsh v. Pacific Bell Telephone Company*
22 Orange County Superior Court, No.:30-2011-00498062-CU-OE-CXC
- 23 i. *Woods v. JFK Memorial Hospital*
24 Riverside County Superior Court, No.: INC 1205209
- 25 j. *Ramirez et. al v. Titan Insurance of New Mexico*
26 Riverside County Superior Court, No.: RIC1211890
- 27 k. *DeSantos v. Jaco Oil Company, et al.*
28 U.S.D.C. Eastern District of California, No. 1:14-CV-00738-JLT

1. *Duran v. Big 5 Corp.*
Los Angeles Superior Court, No.: BC557154
- m. *Sheahan v. Celtic Leasing Corporation, Inc.*
Orange County Superior Court No.: 30-2016-00852151-CU-OE-CXC
- n. *Panusis v. Control4 Corporation*
United States District Court, Central District of California
Case No. SACV-16-1179-DOC
- o. *O&R Construction, LLC v. Dun & Bradstreet, et al.*
United States District Court, Western District of Washington
Case No. C12-2184 TSZ
- p. *Matthews v. Whelan Security of California, Inc.*
Orange County Superior Court, No.: 30-2016-00833250-CU-OE-CXC
- q. *Rodriguez v. R.J. Noble Company (Navarro/Kles/Arango/Rocha)*
Orange County Superior Court, No.: 30-2017-00916018-CU-OE-CXC
- r. *Davis v. Pacific Bell Telephone Company (Medina)*
Orange County Superior Court, No.: 30-2017-00955740-CU-OE-CXC
- s. *Evans v. Select Portfolio Servicing, Inc. et al. (Beher)*
United States District Court, Eastern District of New York
Case No. 2:18-CV-05985-PKC-RML
- t. *Mariscal v. Munger Bros, LLC et al.*
San Joaquin Superior Court, No.: STK-CV-UOE-2020-4639
- u. *Skerl v. Sutter Valley Hospitals et al. (Kropp/Roark)*
San Francisco Superior Court No.: CGC-20-585671
- v. *Wang v. Fountain Valley Regional Hospital and Medical Center*
Orange County Superior Court, No.: 30-2015-00821329-CU-OE-CXC
- w. *Randolph v. WestCare California, Inc.*
Contra Costa Superior Court, No.: MSC22-00407
- x. *Forney v. CHCM, Inc. dba College Hospital Costa Mesa*

Orange County Superior Court , No.: 30-2021-01229774-CU-OC-CXC

y. *DeSimone v. Select Portfolio Servicing, Inc. (Rogers)*

United States District Court, Eastern District of New York

Case No.: 20-CV-3837-PKC-TAM

z. *Miess v. Covid Clinic, Inc. et al.*

Orange County Superior Court, No.: 30-2022-01251703-CU-OE-CXC

28. I graduated from the University of California at Berkeley in 1992 with a Bachelor of Sciences degree in Business Administration and graduated from the California Western School of Law in 1995. Since becoming a lawyer in 1995, my practice has focused on complex litigation matters, and for the last approximately 22 years, complex employment law and wage and hour matters.

29. During my 30 + year career, I have handled many successful employment law matters both at the trial and appellate levels. I estimate that I have represented plaintiffs in well over 150 different wage and hour cases, the vast majority of which have resulted in favorable settlements, awards and/or verdicts for my clients. I have successfully prosecuted and obtained significant recoveries in several class action lawsuits and other lawsuits involving complex legal and factual issues. In 2013, I served as class counsel in the above-referenced Wilkins case which settled for \$5,500,000 and the above-referenced Casserly case which settled for \$4,900,000. I also settled the above-described Walsh v. Pacific Bell case for \$16.8 million on behalf of over 4,000 customer service representatives. I also recently settled the above-mentioned Skerl case for \$12,000,000 on behalf of thousands of hospital employees.

30. I served as co-lead counsel in the matter of Pellegrino v. Robert Half international Inc., Orange County Superior Court Case No. 06CC04518, a wage and hour case filed on behalf of 6 recruiters in which I obtained an award in excess of 1.6 million dollars for my clients. The Pellegrino case was affirmed on appeal on January 28, 2010, and was one of the first, if not the first and only published decision in California (182 Cal. App. 4th 278) holding that recruiters are non-exempt employees who are not subject to California's administrative exemption set forth in Industrial Welfare Commission Wage Order 4-2001. The Supreme Court previously granted a

1 review and hold of the Pellegrino case, and the matter was transferred back to the Court of Appeal
2 for reconsideration. Shortly after the transfer, the case was settled by the parties, resulting in a
3 payment to our clients which exceeded the amount of the judgment and which was extremely
4 favorable.

5 31. I am AV rated by Martindale-Hubbell, the highest possible rating for a lawyer.
6 have also been selected as a Super Lawyer each year from 2015 - 2025. I am also a member of the
7 California State Bar, Orange County Bar Association, Employment Law Section, the California
8 Employment Lawyer's Association ("CELA"), and a member of the Robert A. Banyard Inns of
9 Court.

10 32. My partner, Shane C. Stafford, graduated from Virginia Polytechnic Institute and
11 State University in 1994, with a degree in Liberal Arts. Mr. Stafford graduated Summa Cum
12 Laude from Whittier Law School in 2001. Mr. Stafford was admitted to the California State Bar
13 and the United States Court of Appeals for the Ninth Circuit in December 2001, and the District of
14 Columbia Bar in February 2005. Upon graduation in 2001, Mr. Stafford began working for
15 Stanzler Funderburk & Castellon LLP, a business litigation firm located in San Francisco, with a
16 branch in downtown Los Angeles. Mr. Stafford practiced general civil litigation, including
17 business disputes, intellectual property litigation, insurance coverage matters, and employment
18 litigation. Mr. Stafford has practiced almost exclusively in the area of employment law since
19 2005.

20 **Evaluation of the PAGA Claims**

21 33. In this case, Plaintiffs seek PAGA penalties only. The sole PAGA claim that is at
22 issue in this settlement concerns Defendants': 1) failure to pay all wages, including minimum
23 wages, straight time wages, and overtime compensation; (2) failure to provide meal periods or
24 provide compensation in lieu thereof; (3) failure to authorize and permit rest periods or provide
25 compensation in lieu thereof; (4) failure to reimburse for necessary business expenditures; (5)
26 illegal deductions from earned wages; (6) commissions contracts violations; (7) failure to properly
27 maintain and submit accurate itemized wage statements; (8) failure to timely pay all wages owed
28 (at termination or otherwise); (9) illegal prohibitions on disclosure of information about wages,

1 working conditions and related non-disclosure violations. Plaintiff's penalties exposure analysis
2 for the PAGA claims is set forth below.

3 a. Failure to Compensate Sales Employees Proper Wages During Online
4 Training and Field Week

5 Prior to being hired as full-time sales employees eligible to earn commissions, Heartland
6 employees must go through one week of online training and one week of Heartland's Field Week
7 program. Under the Field Week program, Heartland requires such "Trainees" to generate at least
8 10 sales leads/appointments, and business referrals, within a 5 day period. Typically, a participant
9 in Field Week works in excess of eight (8) hours in a day and over 40 hours in a week to generate
10 the 10 sales leads/appointments and business referrals required for full time employment. During
11 this period of time, the participants in Field Week are paid below the minimum wage for their
12 hours worked, or not at all. Employees are also not paid rates above their straight time rate.

13 For example, Ms. Furnia participated in the Heartland's online training between April 24,
14 2023 – May 1, 2023, working approximately 50 hours, but was paid only \$620 for 40 hours of
15 work at the then minimum wage rate of \$15.50 per hour. This \$620 payment equates to paying
16 Ms. Furnia below the minimum wage for all hours worked and also fails to compensate Ms. Furnia
17 for overtime wages in excess of 8 hours per day/40 hours per week. During Ms. Furnia's second
18 week (Field Week) May 2, 2023 – May 8, 2023, she was **paid zero** in compensation. Pursuant to
19 Plaintiff's counsel's analysis of the payroll records, virtually all other aggrieved employees were
20 paid (or not paid) in similar fashion.

21 California Labor Code 510(a) and the IWC Wage Orders regulating payment of wages in
22 California, provide that eight (8) hours of labor constitutes a day's work and any work in excess of
23 eight (8) hours in one (1) workday and any work in excess of forty (40) hours in any one
24 workweek shall be compensated at the rate of no less than one and one-half times the regular rate
25 of pay for each employee and any work in excess of twelve (12) hours in any one workday shall be
26 compensated at the rate of no less than twice the regular rate of pay for each employee. Further,
27 California Labor Code § 1194 states that any employee receiving less than the legal overtime
28 compensation due is entitled to recover the unpaid balance of the full amount of this overtime

1 compensation, including interest, reasonable attorney's fees, and costs of suit. Here, Plaintiff
2 contends Heartland owes all aggrieved employees, at minimum, civil penalties pursuant to Labor
3 Code§510 and §1194 violations during online training and Field Week.³

4 Defendants contend that they have numerous defenses to Plaintiff's unpaid wage claims,
5 including the outside salesperson exemption set forth in Wage Order 4-2001 and Labor Code
6 §1171. Defendants further contend that all employees, even employees working during Field
7 Week and those engaged in online training, were paid for all hours worked at the correct rate of
8 pay.

9 Plaintiff's evaluation of this claim reflects the maximum potential PAGA penalty exposure
10 for the unpaid wage claim is approximately \$98,000 (\$49,000 for minimum wages and \$49,000 for
11 overtime wages) as calculated by Plaintiffs' expert, James Toney. (See Plaintiff's damage model,
12 attached hereto as **Exhibit 3**). Based on the issues and defenses above, Plaintiff believes she had a
13 80% chance of success on the unpaid wage theories of liability. Nevertheless, Labor Code section
14 2699(e)(2) also gives a trial court broad discretion to reduce PAGA penalties: "[A] court may
15 award a lesser amount than the maximum civil penalty amount specified by this part if, based on
16 the facts and circumstances of the particular case, to do otherwise would result in an award that is
17 unjust, arbitrary and oppressive, or confiscatory." Case law supports a trial court's discretion in
18 downgrading penalties based on these factors. *See Thurman v. Bayshore Transit Inc.*, 203
19 Cal.App.4th 1112, 1135-1136 (2012) (no abuse of discretion by reducing penalty by 30 percent).
20 Thus, Plaintiffs believe that the real value of the unpaid wage penalties are **\$54,880** (\$98,000 x .8
21 [chances of success] x .7 [court discretion] = \$54,880).

22
23
24 ³ Defendant's payroll records reflected that some employees were not paid ANY compensation
25 during several pay periods during their employment. After analyzing the job duties, employment
26 records, and legal issues regarding the outside salesperson exemption Plaintiff has, however, limited
27 seeking recovery of unpaid or underpaid wages to the two pay periods involving online training and
28 Field Week. This is based on the outside salesperson exemption defense which limits an employee's
recovery of minimum, regular, and overtime compensation while conducting actual outside sales
duties. See, e.g., Cal. Code Regs., tit. 8, § 11040, subds. 3 and 4.

1 b. Failure to Authorize and Permit Meal and Rest Periods for Trainees

2 i. Meal Periods

3 In relevant part, Labor Code section 512(a) reads: An employer may not employ an
4 employee for a work period of more than five hours per day without providing the employee with
5 a meal period of not less than 30 minutes... IWC Wage Order 4-2001 sections 11(A) and (B) mirror
6 the same mandatory meal period requirements as Labor Code section 512. IWC Wage Order 4-
7 2001 § 11(A) further provides in pertinent part that: “Unless the employee is relieved of all duty
8 during the 30 minute meal period, the meal period shall be considered an on duty meal period and
9 counted as time worked....”.

10 As set forth in the California Supreme Court’s seminal *Brinker Restaurant Corp. v.*
11 *Superior Court* (2012) 53 Cal.4th 1004 decision, “[t]he employer satisfies [its meal period
12 obligation] if it relieves its employees of all duty, relinquishes control over their activities and
13 permits them a reasonable opportunity to take an uninterrupted 30-minute break, and does not
14 impede or discourage them from doing so.” (*Brinker, supra*, 53 Cal.4th at 1040.)

15 In this case, Plaintiff contends that trainees were not afforded any reasonable opportunity to
16 take duty-free meal periods, as they were under Heartland’s direction and control to set up the
17 requisite number of appointments and referrals in a limited time. Heartland also failed to provide
18 requisite meal periods during online training, nor does Heartland maintain any such records of
19 meal periods. Thus, Heartland must pay Trainees premium pay for failing to provide such meal
20 breaks.

21 In response to such arguments, Defendants contend that Heartland permits all aggrieved
22 employees more than 30-minute meal periods, and the aggrieved employees will be unable to
23 establish why certain aggrieved employees did not take their meal periods, and that in any event,
24 Defendants had no duty to ensure that meal periods were taken, pursuant to *Brinker, supra*.
25 Defendants further argue the aggrieved employees qualify under the outside salesperson
26 exemption, and therefore, Defendants are under no obligation to provide meal periods.

27 The maximum potential PAGA penalties recoverable for meal period violations, as
28 calculated by Plaintiffs’ expert, is \$49,000. (See Exhibit 3) Based on the various issues raised

1 above regarding proving meal period violations, Plaintiff believes she has a 50% chance of
2 proving a right to recover all meal period penalties during the employee training period. Thus,
3 Plaintiff believes that the real value of the meal period penalties is **\$17,150**. ($\$49,000 \times .5$
4 [chances of success] $\times .7$ [court discretion] = \$17,150).

5 ii. Rest Periods

6 Section 12(A) of the IWC Wage Order(s) states: “Every employer shall authorize and
7 permit all employees to take rest periods, which insofar as practicable shall be in the middle of
8 each work period. The authorized rest period time shall be based on the total hours worked daily at
9 the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof. However, a
10 rest period need not be authorized for employees whose total daily work time is less than three and
11 one-half (3½) hours. Authorized rest period time shall be counted as hours worked for which there
12 shall be no deduction from wages.”

13 Section 12(B) of the IWC Wage Order(s) states: “If an employer fails to provide an
14 employee a rest period in accordance with the applicable provisions of this order, the employer
15 shall pay the employee one (1) hour of pay at the employee’s regular rate of compensation for each
16 workday that the rest period is not provided.” Moreover, during rest periods, “employees must not
17 only be relieved of work duties, but also be freed from employer control over how they spend their
18 time.” *Augustus v. ABM Sec. Servs., Inc.*, 2 Cal.5th 257, 270 (2016). Further, when an employer
19 adopts common policies that prevent employees from taking their rest breaks, it presents a
20 common factual issue by which liability may follow. See *Jaimez v. Daiohs USA, Inc.*, 181
21 Cal.App.4th 1286, 1304 (2010). Indeed, “[t]he wage orders and governing statute do not
22 countenance an employer’s exerting coercion against the taking of, creating incentives to forego,
23 or otherwise encouraging the skipping of legally protected breaks.” *Brinker, supra*, 53 Cal.4th at
24 1040.

25 Plaintiff contends Heartland maintained no policy allowing rest periods, and Trainees were
26 never authorized or permitted to take them. Plaintiff further contends that because of the minimum
27 meeting and prospecting requirements during the two week training period, employees were not
28 permitted a reasonable opportunity to take regular duty free rest periods. As such, Heartland failed

1 to authorize 10 minute net rest periods, and has violated Wage Order 4-2001, thus entitling
2 aggrieved employees to civil penalties under Labor Code § 226.7 and § 2699(f).

3 Defendants contend, on the other hand, that Heartland complied with California's rest
4 period requirements, and implemented rest period policies throughout the PAGA period that
5 comply with California law. Defendants further argue that there is no way to prove, on a
6 representative basis, that the aggrieved employees did not receive their duty-free rest periods,
7 except on an individual basis, which would be completely unmanageable.

8 Plaintiffs' damages expert calculates total penalties on the rest period claim of \$49,000.
9 Plaintiff believes she has a 50% chance of recovering all of the above penalties on the rest period
10 claim, in the absence of other mitigating factors. Given that a court has discretion regarding the
11 amount of penalties to be assessed, Plaintiff therefore believes the real exposure of PAGA
12 penalties on the rest period claim is approximately **\$17,150**. ($\$49,000 \times .5$ [chances of success] $\times$
13 $.7$ [court discretion] = \$17,150.)

14 c. Failure to Reimburse Necessary Business Expenditures

15 California Labor Code section 2802(a) provides:

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

20 Plaintiff contends Heartland fails and refuses to comply with California's reimbursement
21 requirements in at least four respects.

22 i. Trainee business expenses

23 Heartland has no policy or practice to reimburse Trainees for any of their reimbursable
24 expenses, including but not limited to, the use of their automobile to set referrals and
25 appointments, use of their personal cell phone, and in-home office expenses incurred in carrying
26 out their duties during the Field Week period. Plaintiff and other aggrieved employees pay records
27 confirm this fact and that Heartland does not reimburse Trainees during (at minimum) their first
28 two weeks of employment. This is not in dispute.

1 ii. Business expenses allocated as “25 of gross sales compensation”

2 For Salespersons identified as Relationship Managers, Territory Managers, Division
3 Managers, and Senior Payroll Advisors, Heartland purports to allocate 25% of their total gross
4 sales compensation to business expenses. Plaintiff contends this allocation is illusory and does not
5 comply with California law.

6 First, in the seminal California Supreme Court case, *Gattuso v. Harte-Hanks Shoppers, Inc.*,
7 42 Cal.4th 554 (2007), the Court held that reimbursements may be made to commissioned-based
8 sales employees only if the employer pays the employee enhanced commission rates to compensate
9 for such business expenses, and only when such enhanced commissions are adequate to compensate
10 the employee for all necessarily incurred business expenses. Heartland’s commission policy fails
11 on both fronts.

12 For example, Heartland pays sales employees the same commission rates, regardless of
13 expenses incurred by these employees. Heartland’s expense reimbursement policy is also an artifice,
14 and fails to meet the California Supreme Court’s dictates under *Gattuso*. For example, while
15 Heartland purports to allocate a percentage of all Salespersons’ commissions to reimbursable
16 expenses (i.e. 25%), Heartland fails to pay the Salespersons’ enhanced commissions to satisfy
17 Heartland’s reimbursement obligation, and such allocation percentage does not as a matter of law
18 fully reimburse Salespersons for all of their expenses. This is because Heartland does not
19 characterize the commissions as earned, but only as advances, and Heartland regularly and
20 repeatedly claws back these advances from Salespersons’ wages (commonly referred to as “Signing
21 Bonuses” to repay Heartland for its costs of doing business (commonly referred to as “True Ups”).
22 In essence, Heartland makes Salespersons the insurer of Heartland’s business and sales losses, which
23 is patently illegal.

24 iii. Business expenses added to Salespersons “A/R Balance”

25 Plaintiff also contends that Heartland has adopted unlawful policies by making its
26 Salespersons the insurer of Heartland’s business losses. As set forth in various employee payroll
27 records, sales employees were frequently “charged” for incurring business expenses which were
28 then deducted from their A/R Balance.

1 iv. Heartland's "cap" on business expense reimbursements

2 Plaintiff further contends that Heartland's reimbursement policy is illegal because Heartland
3 places artificial caps on reimbursing Salespersons' business expenses, with either a flat dollar
4 amount (i.e. \$75 for cell phone), or percentage of the prior month's gross profit margin, both of
5 which do not account for all business expenses incurred by Salespersons. Moreover, Heartland's
6 own reimbursement policy excludes payment for mileage below 1,000 miles per month along with
7 other necessarily incurred expenses, including computer equipment, hardware, and software.

8 In this case, Heartland required Plaintiff and others similarly situated to use their personal
9 cell phones, computers, software, and home internet to carry out their job duties. Heartland failed to
10 indemnify or reimburse Plaintiff and other aggrieved employees for these expenses.

11 Defendants contend that Heartland had a compliant reimbursement policy, and that Plaintiff
12 and other aggrieved employees did not have to use their phones for work purposes, and that any
13 required equipment was usable outside of work and therefore not compensable. *See, e.g., Townley*
14 *v. BJ's Restaurants, Inc.*, 37 Cal.App.5th 179 (2019). Defendants further contend that Heartland's
15 25% of commissions expense reimbursement policy is lawful and meets the parameters of *Gattuso*.
16 Plaintiff acknowledges the uncertainty of how a court would rule on the lawfulness of Defendant's
17 expense policy.

18 According to Plaintiff's expert, and assuming a maximum PAGA penalty of \$100 per pay
19 period per employee, the maximum exposure on the unreimbursed business expense claim is
20 approximately \$1,591,000. Plaintiff believes she has a 50% chance of recovering all of the
21 potentially recoverable civil penalties. Moreover, Plaintiffs apply the same discounts as set forth
22 above in the analysis as to the court's discretion to reduce penalties. As such, Plaintiff believes the
23 real exposure on this claim to be **\$566,850**. ($\$1,591,000 \times .1$ [chances of success] $\times .7$ [court
discretion] = \$566,850).

24 d. Unlawful deduction from wages

25 Labor Code section 221 provides, in pertinent part, that it is "unlawful for any employer to
26 collect from an employee any part of wages theretofore paid by said employer to said employee."
27 Moreover, Labor Code section 223 provides that it is "unlawful to secretly pay a lower wage while
28 purporting to pay the wage designated by statute or by contract."

1 Plaintiff contends that Heartland engages in unlawful deductions from Salespersons' wages
2 by several of its written policies and practices. These policies and practices adopt self-help remedies
3 whereby Heartland repays itself for business losses, or purported business losses, and Heartland
4 makes the employee the insurer of its losses, which California prohibits. See *Kerr's Catering*
5 *Service v. Department of Indus. Relations*, 57 Cal.2d 319, 327-328 (1962).

6 i. Portfolio Buyouts

7 When Salespersons have positive "A/R Balances," Heartland often unilaterally forces the
8 sale of employees' vested commission accounts, to purportedly repay Heartland for amounts
9 Heartland deems are owed to it. Heartland identifies these as "Portfolio Buyouts." During
10 discovery, Plaintiff uncovered that some aggrieved employees were forced to sell their vested
11 accounts in order to cover "losses" or overpayments of commissions on new accounts, and other
12 balances charged to the employee by Heartland. Many of these "losses", according to Heartland,
13 were attributable to "over-payments" of Signing Bonuses, True-Ups to cover over-paid residual
14 sales commissions," and other charges to sales employees such as "expenses".

15 ii. True-ups

16 Plaintiff also contends that Heartland's "True-Up" policy results in Heartland unlawfully
17 deducts monies from its sales employees. The "True-Up" policy purports to repay Heartland for
18 previously paid commissions earned by Salespersons, and to repay Heartland for other amounts
19 identified on a Salespersons' "A/R Balance." Heartland, however, unilaterally decides how these
20 "A/R Balances" are to be collected and has absolute discretion "to collect [Salespersons'] A/R
21 Balance in full at any time. "True-Up" are generally always negative, so that Heartland is owed
22 money from the employee.

23 Plaintiff claims that such a practice is illegal, by in essence circumventing California law
24 prohibiting attachment of a person's wages by a creditor. See *California State Employees' Assn.*
25 *v. State of Cal.*, 198 Cal.App.3d 374, 378 (1988) (even if an "employee owed a debt. . . , does not
26 'affect the validity or alter the amount of the current claim' for wages earned").

27 iii. Bridge Compensation

28 Plaintiff received "bridge compensation" during the course of her employment, whereby
Heartland agreed to pay her a salary in lieu of commissions for a period of weeks until Plaintiff

1 Furnia could secure enough clients to obtain meaningful commissions. However, even though
2 Defendants allegedly had no right to recoup the “bridge compensation” at any time, Defendants
3 setoff such “bridge compensation” from Plaintiff Furnia’s wages in order repay themselves.

4 Defendants engaged in the same practices with other similarly situated employees as Plaintiff.

5 Defendants vehemently disputed that they had any exposure for unlawful deduction of
6 wages and argued that any deductions were proper under Labor Code section 224, which states, in
7 relevant part, that certain deductions expressly authorized in writing by the employee through a
8 wage agreement are not unlawful. Cal. Lab. Code § 224; see also *Sciborski v. Pacific Bell*
9 *Directory* (2012) 205 Cal.App.4th 1152, 1167 (stating that “[b]ecause a commission is not earned
10 until the express contractual conditions are met, Labor Code section 221 does not prohibit an
11 employer from recouping [an] advance if the conditions are not satisfied”). Defendants further
12 argue that its sales employees each signed a valid commission agreement providing for certain
13 deductions from any commissions and/or advances, and that any sales compensation was not
14 considered “earned” until certain conditions precedent were met, including performing additional
15 services for merchants and calculating and applying true-up amounts.

16 Plaintiff determined after analyzing pay stubs on behalf of a sampling of employees that
17 approximately one-third of the aggrieved employees pay periods reflected potential unlawful
18 deductions in the form of “True-Ups”, Portfolio Buyouts, and/or Bridge Compensation deductions.
19 As such, Plaintiff calculated the total exposure on the unlawful deduction claim to be approximately
20 \$550,000. However, given difficulties with proving these claims at trial and concerns over
21 individualized issues and manageability, Plaintiff’s counsel discounted this amount by
22 approximately 40%. Thus, Plaintiff believes that the real value of the unlawful deductions penalties
23 are **\$231,000**. ($\$555,000 \times .6$ [chances of success] $\times .7$ [court discretion] = \$231,000).

24 e. Unlawful Commission Contracts

25 Pursuant to Labor Code § 2751, “Whenever an employer enters into a contract of
26 employment with an employee for services to be rendered within this state and the contemplated
27 method of payment of the employee involves commissions, the contract shall be in writing and shall
28 set forth the method by which the commission shall be computed and paid. The employer shall give

1 a signed copy of the contract to every employee who is a party thereto and shall obtain a signed
2 receipt for the contract from the employee.”

3 In the instant case, Plaintiff contended Heartland’s employee sales agreement violates Labor
4 Code §2751 by failing to identify the method of payment and how commissions shall be computed
5 and paid, among other things. Plaintiff also alleged the agreement’s generic reference to Heartland’s
6 “Sales Policies”, which were so numerous and convoluted resulted in sales employees having little
7 to no understanding of how and what their commissions would be each month and therefore violated
8 Labor Code §2751. Plaintiff further cited authorities that specifically hold an aggrieved employee
9 may recover civil penalties pursuant to the default penalty provision in Labor Code § 2699(f) as a
10 result of a violation of Labor Code § 2751. (See *Swafford v. International Business Machines*,
11 (2019) 383 F. Supp. 3d 916; See also *Keenan v Cox Communications California, LLC*, 2019
12 Westlaw 3288939, reversed on other grounds.)

13 In response, Defendants argued that Labor Code § 2751 does not permit the recovery of civil
14 penalties pursuant to Labor Code § 2698 et. seq. Defendants further contended that even if the
15 aggrieved employees were entitled to civil penalties for a Labor Code §2751 violation, only one pay
16 period violation was warranted as opposed to multiple pay period violations throughout each
17 aggrieved employees’ employment.

18 Plaintiff’s expert calculated the total potential exposure for the unlawful commission contract
19 claim to be approximately \$1,591,000. This included a penalty for every pay period for every
20 aggrieved employee. However, given the legal and factual hurdles to prove both a violation of Labor
21 Code §2751 and a right to recoup aggregated civil penalties for such a violation, Plaintiff believes
22 she has a 30% chance of recovering all of the potentially recoverable civil penalties. Moreover,
23 Plaintiff applies the same discounts above in the analysis as to the court’s discretion to reduce
24 penalties. As such, Plaintiffs believe the real exposure on this claim to be **\$334,110**. ($\$1,591,000 \times$
25 $.3$ [chances of success] $\times .7$ [court discretion] = \$334,110).

26 f. Unlawful Non-Disclosure Agreements

27 Plaintiff’s position is that Heartland’s employment agreements have several confidentiality
28 and non-disclosure provisions which contravene California law. In particular, the standard form

1 Employee Sales Agreement, HPS Sales Policy 42.0, and Heartland's Exit Packet and Separation
2 Letter contain confidentiality provisions that Plaintiff alleges violates California law. Specifically,
3 California Labor Code §§ 232(a) and (b) prohibit employers from requiring, as a condition of
4 employment, that an employee refrain from disclosing the amount of his or her wages. Plaintiff's
5 Complaint alleges that Defendants' confidentiality policies prohibit employees from disclosing the
6 amount of their wages in violation of Labor Code §§ 232(a) and (b), 232.5, 432.5, 1102.5(a), and
7 1197.5(k). (See ¶¶ 71- 76, ¶¶ 71- 76)

8 In response to such arguments, Defendants contend that all employee agreements and related
9 documents do not violate any of the non-disclosure provisions cited above. Defendants further argue,
10 similar to the Labor Code §2751 claim, that even if a violation was found, only one pay period
11 penalty would be authorized per the Labor Code.

12 Plaintiff's expert again calculated the total civil penalty exposure on the Labor Code non-
13 disclosure claims based on one penalty per period for every aggrieved employee. As such, the total
14 potential exposure on this claim is approximately \$1,591,000. Plaintiff, however, believes there is
15 a 10% chance of recovering all of the potentially recoverable civil penalties. Moreover, Plaintiffs
16 apply the same discounts as set forth above in the analysis as to the court's discretion to reduce
17 penalties. As such, Plaintiffs believe the real exposure on this claim to be **\$111,370**. ($\$1,591,000 \times$
18 $.1$ [chances of success] $\times .7$ [court discretion] = \$111,370).

19 g. Improper pay stubs

20 Plaintiff further alleges that Defendants failed to provide proper pay statements that complied
21 with Labor Code § 226. Pay stub civil penalties are potentially recoverable because Heartland
22 allegedly failed to provide accurate pay stubs. (Cal. Lab. Code § 226.) For instance, as a result of
23 Heartland's failure to pay all wages due and owing, as discussed above, the wage statements issued
24 to Heartland's employees fail to accurately state all gross wages earned, in violation of Labor Code
25 § 226(a)(1), total hours worked, in violation of Labor Code §226(a)(2), all deductions, in violation
26 of Labor Code § 226(a)(4), net wages earned, in violation of Labor Code § 226(a)(5), etc.

1 Plaintiff further alleges that to obtain PAGA penalties for pay stub violations, a plaintiff need
2 not satisfy the “injury” or “knowing and intentional” requirements of Labor Code section 226(e)(1).
3 *See Raines v. Coastal Pacific Food Distributors, Inc.*, 23 Cal.App.5th 667 (2018).

4 On the other hand, Defendants argue derivative violations of Labor Code § 226 do not give
5 rise to pay stub violations upon which PAGA penalties arise. *See Maldonado v. Epsilon Plastics,*
6 *Inc.*, 22 Cal.App.5th 1308 (2018); *see also Culley v. Lincare Inc.*, 236 F.Supp.3d 1184, 1195-1196
7 (E.D. Cal. 2017). Defendants further argue that any such violations were inadvertent, and therefore
8 not actionable. *See Heritage Residential Care, Inc. v. Division of Labor Standards Enforcement,*
9 192 Cal.App.4th 75 (2011).

10 Plaintiffs’ expert calculated total pay stub penalty exposure based on the assumption that all
11 employees incurred pay stub violations during the entire PAGA period. This amounted to
12 approximately \$3,977,500. Although the pay stub penalty claims are primarily derivative in nature,
13 Plaintiff still believes she had a 50% chance of recovering all of the potentially recoverable civil
14 penalties. After applying the same discount based on the court’s discretion to reduce penalties,
15 Plaintiff believes the real exposure on this claim to be **\$1,392,125**. ($\$3,977,500 \times .5$ [chances of
16 success] $\times .7$ [court discretion] = \$1,392,125).

17 h. Waiting time penalties

18 Plaintiff further contends Heartland willfully failed to timely pay all compensation due and
19 owing to Ms. Furnia and other similarly situated aggrieved employees who participated in the Field
20 Week and online training program (two pay periods only) whose employment was terminated during
21 the relevant time period, as required by Labor Code §§ 201 and 202. Defendant counters that no
22 waiting-time penalties should be awarded. Defendants pointed out that waiting-time penalties are
23 derivative of each and every other underlying alleged California Labor Code violation and contended
24 that it paid the terminated employees all wages due and owing. Moreover, Defendants emphasized
25 that, under California Labor Code section 203, employers are only obligated to pay waiting-time
26 penalties if they “willfully” fail to pay wages due and owing at the time of termination or resignation.

27 Plaintiff’s expert calculates PAGA penalties on this claim in the amount of \$30,000. Based
28 on the heightened willfulness standard, as well as the case law undermining Plaintiffs’ ability to

1 recover waiting time penalties under Labor Code § 256, Plaintiffs estimate that the real exposure of
2 this claim is 25% of those total penalties. Plaintiff again applies the same discount as set forth above
3 in the above analysis as to the court's discretion to reduce penalties. As such, Plaintiffs believe the
4 real exposure on this claim to be **\$7,500** ($\$30,000 \times .25$ [chances of success] $.70$ [court discretion] =
5 $\$7,500$).

6 i. Total exposure PAGA penalties

7 Based upon the alleged Labor Code violations, Plaintiff believes the total actual PAGA
8 exposure is approximately **\$2,732,135**. Based on a settlement value of \$1,200,000, this amounts to
9 approximately **44%** of the total exposure to PAGA penalties. Plaintiff believes this to be an
10 excellent result, given that Defendants have arguably valid defenses to Plaintiff's claims, and that
11 there is a substantial question as to whether a trial court will award cumulative penalties sought by
12 Plaintiff for alleged multiple Labor Code violations because there is no precedent for such an award.

13 The purpose of the PAGA is to "achieve maximum compliance with [California's] labor
14 laws." See *Iskanian v. CLS Transp. Los Angeles, LLC*, 59 Cal.4th 348, 379 (2014). The penalties
15 recovered here on behalf of the State and aggrieved employees achieve that purpose.

16 Attorneys' Fees and Costs

17 34. Through May 20, 2025, my firm Shanberg Stafford LLP has spent
18 approximately 333.20 hours on this action and has incurred approximately \$245,240 in fees. My
19 firm's billing rate for partners, Ross Shanberg (RES) and Shane Stafford (SCS) is \$850 per hour.
20 Our associate billing rate on this file is \$450, and our paralegal rate is \$250 per hour. The fees
21 incurred were reasonable and necessary in order to prosecute this case. My law firm's hourly rates
22 are reasonable in the relevant market, and below that found with other class action and PAGA
23 employment lawyers with similar expertise who frequently charge in excess of \$1,000 per hour.
24 In connection with this PAGA settlement, Plaintiff's counsel requests attorneys' fees of \$400,000,
25 or one-third of the gross settlement amount which equates to a 1.63 multiplier. I believe that
26 pursuant to *Laffitte v. Robert Half Int'l, Inc.*, 1 Cal.5th 480 (2016), such a recovery is fair and
27 reasonable in this case, given the work expended and the excellent results achieved in this case.
28

1 Attached as **Exhibit 4** is a true and correct copy of my law firm's attorney's fees billing statements
2 incurred in this action.

3 35. My law firm has also incurred \$16,123 in litigation costs to date, all of which were
4 reasonable and necessary in prosecuting this action. Attached as **Exhibit 5** is a true and correct
5 copy of the expenses incurred by Shanberg Stafford LLP.

6 36. Plaintiffs' counsel has also retained Rust Consulting, Inc. to administer the
7 settlement in this case. The Settlement Administrator provided a project bid of \$4,979.00 to
8 administer the settlement. The Settlement Administrator's bid is attached hereto as **Exhibit 6**.

9 37. Funds represented by Individual Settlement Payment checks returned as
10 undeliverable and Individual Settlement Payment checks remaining uncashed for more than one
11 hundred and eighty (180) calendar days after issuance will be canceled and funds associated with
12 such checks shall be considered unpaid, unclaimed or abandoned cash residue pursuant to Code of
13 Civil Procedure section 384 ("Unpaid Residue"). The Unpaid Residue plus accrued interest, if any,
14 as provided in Code of Civil Procedure section 384, shall be transmitted to Court Appointed Special
15 Advocates/Guardian Ad Litem for use in Los Angeles County. The Settlement Administrator shall
16 prepare a report regarding the distribution plan pursuant to Code of Civil Procedure section 384 and
17 the report shall be presented to the Court by Counsel along with a proposed amended final order that
18 is consistent with the provisions of Code of Civil Procedure section 384.

19 **Notice To LWDA**

20 38. My office provided notice of the proposed settlement and all documents filed in
21 support of this motion for PAGA settlement approval to the LWDA by uploading the documents
22 to the California DIR/LWDA's website on the same date as the filing of the instant motion. A true
23 and correct copy of confirmation of the service to the LWDA is attached hereto as **Exhibit 7**.

24 I declare under penalty of perjury under the laws of the State of California that the
25 foregoing is true and correct. Executed on May 20, 2025, at Newport Beach, California.

26
27
28


Ross E. Shanberg

EXHIBIT 1

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY LOS ANGELES

VALERIE FURNIA, an individual on behalf
of herself and others similarly situated,

Plaintiff,

vs.

HEARTLAND PAYMENT SYSTEMS,
LLC., a Delaware limited liability company;
GLOBAL PAYMENTS, INC., a Georgia
corporation; and DOES 1-10 inclusive,

Defendants.

Case No.: 24STCV00988

**JOINT STIPULATION OF PAGA
SETTLEMENT AND RELEASE**

JOINT STIPULATION OF SETTLEMENT AND RELEASE

This Joint Stipulation of Settlement and Release (“Settlement” or “Settlement Agreement”) is made and entered into by and between Plaintiff Valerie Furnia (“Plaintiff”), and Defendants Heartland Payment Systems, LLC and Global Payments Inc. (“Defendants”) (collectively with Plaintiffs, the “Parties”).

DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Action” means *Valerie Furnia v. Heartland Payment Systems LLC et al.*, Los Angeles County Superior Court Case Number 24STCV00988.

2. “Attorneys’ Fees and Costs” means attorneys’ fees for Plaintiff’s Counsel’s litigation and resolution of the Action, and their expenses and costs incurred in connection with the Action, which shall be paid from the Gross Settlement Amount. Plaintiffs’ Counsel will request attorneys’ fees not in excess of Thirty-Three and One-Third Percent (33.33%) of the Gross Settlement Amount, i.e., Four Hundred Thousand Dollars (\$400,000.00) and the reimbursement of costs and expenses associated with Plaintiffs’ Counsel’s litigation and settlement of the Action, up to Twenty Thousand Dollars (\$20,000.00), subject to the Court’s approval.

3. “Plaintiff’s Counsel” means Shanberg Stafford LLP.

4. “PAGA Member List” means a complete list of all PAGA Members that Defendants will diligently and in good faith compile from its records and provide only to the Settlement Administrator within fourteen (14) calendar days after Approval of this Settlement. The PAGA Member List will be formatted in Microsoft Office Excel and will include each PAGA Member’s full name; most recent mailing address and telephone number; Social Security number; dates of employment; the number of pay periods that each PAGA Member worked during the PAGA Period.

5. “Court” means the Los Angeles Superior Court.

6. “Defendants” means Defendants Heartland Payment Systems, LLC and Global Payments Inc.

7. “Effective Date” means the date of Settlement Approval.

8. “Gross Settlement Amount” means the Gross Settlement Amount of One Million Two Hundred Thousand Dollars (\$1,200,000.00) to be paid by Defendants in full satisfaction of all Released Claims, which includes Attorneys’ Fees and Costs, the PAGA Settlement Amount, and Settlement Administration Costs. In no event will Defendants be liable for more than the Gross Settlement Amount except as otherwise explicitly set forth herein. There will be no reversion of the Gross Settlement Amount to Defendants.

9. “Individual Settlement Payment” means each PAGA Member’s respective share of the Net Settlement Fund, after payment to the Labor and Workforce Development Agency (“LWDA”) of 75% of the Net Settlement Fund.

10. “Net Settlement Fund” means the portion of the Gross Settlement Amount remaining after deducting the Attorneys’ Fees, Costs, and Settlement Administration Costs. The Net Settlement Fund will be distributed to the LWDA and PAGA Members. There will be no reversion of the Net Settlement Fund to Defendants.

11. “Settlement Cover Letter” means a letter, substantially in the form attached as Exhibit A, enclosing each PAGA Member’s Individual Settlement Payment.

12. “PAGA Members” consist of all current and former outside sales employees who were employed by Defendants in California and who work or worked as non-exempt employees and/or who were alleged to be misclassified as exempt employees during the PAGA Period and who were subject to Defendants’ wage and hour policies and/or practices at any point in time from October 5, 2022 through the date of the final executed settlement agreement resolving the Action. The sales positions covered by this settlement are the following: Relationship Manager, Territory Manager, Division Manager, Payroll Division Manager, Senior Product Advisor, Payroll Territory Manager, Jump Start Relationship Manager, Financial Institution Relationship Manager, and Jump Start Senior Product Advisor. There are approximately 490 employees covered by this settlement and the estimated PAGA pay period count is 15,910.

13. “PAGA Period” means the period from October 5, 2022 to the date of full execution of this Agreement.

14. “Parties” means Plaintiff and Defendants, collectively.

15. “Plaintiff” means Plaintiff Valerie Furnia.

16. “Settlement Approval” means the date on which the Court enters an order and/or judgment granting approval of the Settlement Agreement.

17. “Released Claims” means all claims for PAGA penalties and penalties under California Labor Code sections §§ 201, 202, 203, 204, 221, 223, 225.5, 226, 226.3, 226.7, 232, 232.5, 256, 432.5, 510, 512, 558, 1102.5, 1174, 1174.5, 1194, 1197, 1197.1, 1197.5, 2751, and 2802 that were alleged, or reasonably could have been alleged, based on the facts and allegations in the First Amended Complaint and PAGA notices dated October 5, 2023, and December 29, 2023, underlying the Furnia Action. These claims are released by Plaintiff in her representative capacity as an authorized proxy and agent for the State of California and the LWDA and as a private attorney general acting on behalf of herself and the Aggrieved Employees, for civil penalties under the PAGA, based on any claim that arises under the California Labor Code and that were alleged, or reasonably could have been alleged, based on the facts and allegations in the First Amended Complaint and PAGA notices, including the alleged (1) failure to pay all wages, including minimum wages, straight time wages, and overtime compensation; (2) illegal deductions from earned wages; (3) commissions contracts violations; (4) failure to provide meal periods or provide compensation in lieu thereof; (5) failure to authorize and permit rest periods or provide compensation in lieu thereof; (6) failure to properly maintain and submit accurate itemized wage statements; (7) failure to timely pay all wages owed (at termination or otherwise); (8) failure to reimburse for necessary business expenditures; (9) illegal prohibitions on disclosure of information about wages; (10) illegal prohibition on disclosure of information about working conditions; (11) illegally requiring employees to agree to terms and conditions known by employer to be prohibited by law; (12) illegal prohibition on whistleblowing; (13) illegal prohibition on disclosure of information about wages; and (14) penalties under Labor Code section 2699.

18. “Released Parties” means Defendants Heartland Payment Systems, LLC and Global Payments Inc. and each of their parents, subsidiaries, affiliates, owners, predecessors, successors, and associated organizations, past and present, and each of their respective trustees, directors, officers, agents, joint employers, attorneys, managing agents, employees, contractors, insurers, representatives, assigns, all persons acting by, through, under, or in concert with any of them, and/or all persons acting on their

1 behalf.

2 19. "Settlement Administration Costs" means the costs payable from the Gross Settlement
3 Amount to the Settlement Administrator for administering this Settlement, including, but not limited to,
4 printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Gross
5 Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The
6 Settlement Administration Costs will be paid from the Gross Settlement Amount, including, if necessary,
7 any such costs in excess of the amount represented by the Settlement Administrator as being the
8 maximum costs necessary to administer the Settlement. The Settlement Administration Costs shall not
9 exceed Ten Thousand Dollars (\$10,000.00).

10 20. "Settlement Administrator" means Rust Consulting, Inc., or any other third-party
11 settlement administrator agreed to by the Parties and approved by the Court for the purposes of
12 administering this Settlement. The Parties each represent that they do not have any financial interest in
13 the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that
14 could create a conflict of interest.

15 21. "Settlement Check(s)" means the checks that will be issued to each PAGA Member
16 pursuant to this Agreement.

17 TERMS OF AGREEMENT

18 The Plaintiff and Defendants agree as follows:

19 22. Mediation. On April 3, 2025, the Parties participated in an all-day mediation presided
20 over by experienced wage and hour mediator, the Honorable Judge Amy Hogue (ret.), which led to this
21 Agreement to settle the Action.

22 23. Information Exchange. Prior to mediation, Plaintiff obtained, through written and
23 informal discovery, a sampling of (1) Defendants' payroll records for 10% of all Aggrieved Employees
24 between October 5, 2022 to March 11, 2025; (2) Defendants' commission records for 10% of all
25 Aggrieved Employees between October 5, 2022 and March 11, 2025; (3) Defendants' relevant policy
26 documents applicable between October 5, 2022 and March 11, 2025, including multiple versions of the
27 employee handbooks, multiple travel and expenses documents, sales policy documents; (4) Defendants'
28 sales employee agreements applicable to the Aggrieved Employees for 10% of all Aggrieved Employees

1 between October 5, 2022 and March 11, 2025; and (5) a 3% sample of A/R, true up, and portfolio
2 buyout information for 3% of the all Aggrieved Employees between October 5, 2022 and March 11,
3 2025. From this documentation, Plaintiffs were able to derive relevant data points, including the number
4 of Aggrieved Employees, the estimated number of pay periods between October 5, 2022 to April 30,
5 2025 (15,910).

6 24. Funding of the Gross Settlement Amount. Within 20 calendar days of the date of the
7 Court order approving the Settlement and entering a final Order thereon (the "Effective Date"),
8 Defendants will make a one-time deposit of the Gross Settlement Amount of One Million Two Hundred
9 Thousand Dollars (\$1,200,000.00) into an interest-bearing Qualified Settlement Account with an FDIC
10 insured banking institution, to be established by the Settlement Administrator. After the Effective Date,
11 the Gross Settlement Amount will be used for: (i) Individual Settlement Payments; (ii) the Labor and
12 Workforce Development Agency Payment; (iii) Attorneys' Fees and Costs; and (iv) Settlement
13 Administration Costs. If objections are submitted to the Court, the Gross Settlement Amount will be paid
14 by Defendants 10 business days after the deadline for objectors to file a notice of appeal; or if a timely
15 appeal from the final order is filed, 15 days after the final order is affirmed.

16 25. Settlement Administration Costs. The Settlement Administrator will be paid for the
17 reasonable costs of administration of the Settlement and distribution of payments from the Gross
18 Settlement Amount, which shall not exceed Ten Thousand Dollars (\$10,000.00). These costs, which will
19 be paid from the Gross Settlement Amount, will include, *inter alia*, the required tax reporting on the
20 Individual Settlement Payments, the issuing of IRS Form 1099s, distributing Settlement Cover Letter,
21 calculating and distributing the Gross Settlement Amount, and providing necessary reports and
22 declarations.

23 26. PAGA Settlement Amount. Pursuant to PAGA, Seventy-Five Percent (75%) of the Net
24 Settlement Amount will be paid to the LWDA and Twenty-Five Percent (25%) will be paid to PAGA
25 Members in proportion to the number of pay periods worked during the PAGA Period.

26 27. Notice to the LWDA. The Parties' settlement is expressly conditioned upon the Court's
27 approval of the Settlement. Plaintiffs shall be responsible for timely providing notice to the LWDA and
28 providing Defendant's counsel confirmation of same, under California Labor Code § 2699(l)(2), and

submission of any judgment within 10 days after entry of same, under California Labor Code § 2699(l)(3).

28. No Right to Exclusion or Objections by Representative Action Members. Because this settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as proxy and as a Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no PAGA Member has the right to exclude himself or herself from the Settlement. PAGA Members will be bound by the terms of the Settlement Agreement, upon its approval by the Court, regardless of whether he or she cashes or accepts any payment received as a result of this Settlement.

29. Net Settlement Fund. The entire Net Settlement Fund will be distributed to the LWDA and PAGA Members. No portion of the Net Settlement Fund will revert to or be retained by Defendants.

30. Individual Settlement.

a. Named Plaintiff Furnia will enter into a separate individual settlement agreement and general release, which will include a general California Civil Code section 1542 release. The parties have agreed to a settlement amount for Furnia's individual wage claims and all other claims, causes of action, damages, demands, liabilities, expenses, costs, and claims for attorneys' fees of any kind or character that she has, had, or may claim to have.

b. The entire PAGA Fund will be disbursed to all PAGA Members.

31. Administration Process. The Parties agree to cooperate in the administration of the settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement.

32. Delivery of the PAGA Member List. Within twenty (20) calendar days of Settlement Approval, Defendants will provide the PAGA Member List to the Settlement Administrator.

33. Confirmation of Contact Information in the PAGA Member List. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Settlement Cover Letter returned to the Settlement Administrator as non-deliverable will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Settlement Cover Letter. If no forwarding address is provided, the

1 Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or
2 other search using the name, address, and/or Social Security number of the PAGA Member involved and
3 will then perform a single re-mailing.

4 34. Settlement Cover Letter. All PAGA Members will be mailed, at their last known
5 mailing address identified in the PAGA Member List, a Settlement Cover Letter. Each PAGA
6 Member's Individual Settlement Payment will be enclosed with each PAGA Member's respective
7 Settlement Cover Letter.

8 35. Releases by PAGA Members. Upon the Funding Date, and except as to such rights or
9 claims as may be created by this Settlement Agreement, each PAGA Member, together and individually,
10 on their behalf and on behalf of their respective heirs, executors, administrators, agents, and attorneys,
11 shall, by operation of the Court's Order approving this settlement, fully and forever release and discharge
12 all of the Released Parties, or any of them, from each of the Released Claims during the PAGA Period.

13 36. Distribution Timing of Settlement Payments. Within ten (10) calendar days of the
14 Funding Date, the Settlement Administrator will issue payments, enclosed with the Settlement Cover
15 Letter, to: (i) PAGA Members; (ii) the Labor and Workforce Development Agency; and (iii) Plaintiffs'
16 Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved services
17 performed in connection with the Settlement.

18 37. Uncashed Settlement Checks. Funds represented by Individual Settlement Payment
19 checks returned as undeliverable and Individual Settlement Payment checks remaining uncashed for
20 more than one hundred and eighty (180) calendar days after issuance will be canceled and funds
21 associated with such checks shall be considered unpaid, unclaimed or abandoned cash residue pursuant
22 to Code of Civil Procedure section 384 ("Unpaid Residue"). The Unpaid Residue plus accrued interest, if
23 any, as provided in Code of Civil Procedure section 384, shall be transmitted to Court Appointed Special
24 Advocates/Guardian Ad Litem for use in Los Angeles County. The Settlement Administrator shall
25 prepare a report regarding the distribution plan pursuant to Code of Civil Procedure section 384 and the
26 report shall be presented to the Court by Counsel along with a proposed amended final order that is
27 consistent with the provisions of Code of Civil Procedure section 384.

28 38. Certification of Completion. Upon completion of administration of the Settlement, the

1 Settlement Administrator will provide a written declaration under oath to certify such completion to
2 counsel for all Parties, and the Court, if necessary.

3 39. Use and Return of Aggrieved Employee Data. Information provided to Plaintiff's
4 Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of any data, documents, or
5 other information provided to Plaintiff's Counsel by Defendants in connection with the mediation, other
6 settlement negotiations, or in connection with the Settlement, may be used only with respect to this
7 Settlement, and no other purpose, and may not be used in any way that violates any existing contractual
8 agreement, statute, or rule of court. Plaintiff's Counsel shall destroy all information provided to it by
9 Defendants no later than 90 days after the Administrator discharges its obligation to pay out all
10 settlement funds.

11 40. Treatment of Individual Settlement Payments. All Individual Settlement Payments will
12 be allocated as non-wages for which IRS Forms 1099-MISC will be issued.

13 41. Administration of Taxes by the Settlement Administrator. The Settlement Administrator
14 will be responsible for issuing to PAGA Members and Plaintiffs' Counsel any 1099, or other tax forms
15 as may be required by law for all amounts paid pursuant to this Settlement.

16 42. Tax Liability. Defendants make no representation as to the tax treatment or legal effect
17 of the payments called for hereunder, and PAGA Members are not relying on any statement,
18 representation, or calculation by Defendant or by the Settlement Administrator in this regard.

19 43. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES
20 OF THIS SECTION, (THE "ACKNOWLEDGING PARTY") AND EACH PARTY TO THIS
21 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, (AN "OTHER PARTY")
22 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND
23 NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES
24 OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR
25 WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED
26 OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
27 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
28 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS

OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

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

45. Nullification of Settlement Agreement. In the event that the Court does not finally approve the Settlement as provided herein, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void.

46. Approval Hearing. The Parties recognize in accordance with Labor Code §2699(1)(2) that Court approval is required in the event of any settlement of a PAGA action. Promptly after this Joint Stipulation is executed, Plaintiff shall file a motion with the Court identifying the key terms of the Settlement and requesting that the Court approve the PAGA Penalties provided for in this Settlement Agreement ("Approval Motion"). Plaintiff's Counsel will prepare and deliver to Defendants' Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)). The Parties agree to work diligently and cooperatively to have this Settlement presented to the Court for approval, and Plaintiff shall provide for review and input the Approval Motion to Defendants

1 at least seven (7) calendar days prior to filing the Approval Motion. The Approval Motion submitted to
2 the Court shall request the entry of an order approving the Settlement Amount provided for in this
3 Settlement.

4 47. Final Order and Continued Jurisdiction. Upon approval of the Settlement by the Court,
5 the Parties will present the final Order to the Court for its approval. After entry of the final Order, the
6 Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and
7 enforcement of the terms of the Settlement, (ii) Settlement administration matters, and (iii) such post-
8 Order matters as may be appropriate under court rules or as set forth in this Settlement Agreement. A
9 copy of the Order will be posted to the Settlement Administrator's website. The Court's final Order
10 approving the Settlement will have the full effect of res judicata, claim preclusion, and collateral
11 estoppel. All defenses based on res judicata, claim preclusion, and collateral estoppel are specifically
12 preserved.

13 48. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the
14 terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
15 herein. Any Exhibits to this Settlement Agreement are an integral part of the Settlement.

16 49. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the
17 entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements
18 may be deemed binding on the Parties. The Parties expressly recognize California Civil Code Section
19 1625 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is
20 to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and
21 the Parties agree that no such extrinsic oral or written representations or terms will modify, vary or
22 contradict the terms of this Settlement Agreement.

23 50. Amendment or Modification. No amendment, change, or modification to this Settlement
24 Agreement will be valid unless in writing and signed, either by all the Parties or all their counsel in this
25 Action.

26 51. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
27 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
28 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant

1 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
2 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each
3 other and use their best efforts to affect the implementation of the Settlement. If the Parties are unable to
4 reach agreement on the form or content of any document needed to implement the Settlement, or on any
5 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties
6 may seek the assistance of the Court to resolve such disagreement.

7 52. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
8 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

9 53. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto
10 will be governed by and interpreted according to the laws of the State of California.

11 54. Execution and Counterparts. This Settlement Agreement is valid and enforceable only
12 after it is executed by all Parties. However, the Settlement Agreement may be executed in one or more
13 counterparts. All executed counterparts and each of them, including electronic (e.g., DocuSign),
14 facsimile, and scanned copies of the signature page, will be deemed to be one and the same instrument.

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

21 56. Invalidity of Any Provision. Before declaring any provision of this Settlement
22 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
23 possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement
24 valid and enforceable.

25 57. Waiver of Certain Appeals. The Parties agree to waive appeals in the event that this
26 Settlement is approved.

27 58. Non-Admission of Liability. The Parties enter into this Settlement to resolve the dispute
28 that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In

entering into this Settlement, Defendants do not admit, and specifically deny, that they violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, will be construed as an admission or concession by Defendants of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement, this Settlement Agreement and its terms and provisions will not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendants or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.

59. No Public Comment: The Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry, or have any communication with the press about the fact, amount, or terms of the Settlement.

60. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

61. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

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

63. All Terms Subject to Final Court Approval. All amounts and procedures described in

this Settlement Agreement herein will be subject to Court approval.

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

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

66. Escalator Clause. Defendants represent that there are approximately 15,910 pay periods in the PAGA Period worked by the Aggrieved Employees as of the date the Parties mediated this case. If the actual number of pay periods worked by Aggrieved Employees is more than 107.5% of 15,910 (*i.e.*, if there are more than 17,103 pay periods worked by the Aggrieved Employees during the PAGA Period), the Gross Settlement Amount shall be increased proportionally by the pay periods worked in excess of 17,103 pay periods multiplied by the pay period value. The Parties agree that the pay period value amounts to, and the settlement amounts to \$75.42 per pay period. (\$1.2 million / 15,910 pay periods). Thus, for example, should there be 17,262 Pay Periods (108.5% of 15,910 pay periods) in the PAGA Period, then the Gross Settlement Amount shall be increased by \$12,018.17 ((17,262 pay periods – 17,103 pay periods) x \$75.42).

67. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement.

[signatures appear on the next page]

READ CAREFULLY BEFORE SIGNING

Dated: 5/3/2025

PLAINTIFF

DocuSigned by:
Valerie Funnia
5EA7397C8B4E48F...
Valerie Funnia

Dated: 05/08/2025

DEFENDANT

DocuSigned by:
Dara Steele-Belkin
C044E861E5D0472...
LA Heartland Payment Systems, LLC
By Its: Secretary

Dated: 05/08/2025

DocuSigned by:
Dara Steele-Belkin
C044E861E5D0472...
LA Global Payments Inc.
By Its: Corporate Secretary

APPROVED AS TO FORM

Dated: 5/3/2025

DocuSigned by:
Ross Shanberg
63D99EA5119E438...
ROSS L. SHANBERG
Shane C. Stafford
Attorneys for Plaintiffs

SHANBERG STAFFORD LLP

Dated: 5/12/2025

By: *Nathan D. Chapman*
Nathan D. Chapman
Attorneys for Defendant

KABAT CHAPMAN & OZMER LLP

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EXHIBIT A

(Notice of PAGA Settlement)

[Mailing Date]

NOTICE OF SETTLEMENT

Re: Valerie Furnia v. Heartland Payment Systems LLC et al.
Los Angeles County Superior Court Case Number 24STCV00988

[Claims Admin Info]

Dear Sir or Madam:

The enclosed payment is made to you pursuant to a court-approved settlement between Plaintiff Valerie Furnia (“Plaintiff”), on behalf of herself and the people of the State of California and as allegedly “aggrieved employees” under the Labor Code Private Attorneys General Act of 2004, section 2698, et seq. (“PAGA”), and Defendants Heartland Payment Systems LLC and Global Payments Inc. (“Defendants”), in the above-referenced matters (the “Actions”) in which Plaintiff made claims against Defendants.

Defendants deny any liability or wrongdoing of any kind and no finding of liability has been made by the court. However, the Parties have reached a settlement, which has been approved by the Court, and whereby all current and former outside sales employees who were employed by Defendants in California and who work or worked as non-exempt employees and/or who were alleged to be misclassified as exempt employees during the PAGA Period and who were subject to Defendants’ wage and hour policies and/or practices at any point in time from October 5, 2022 through the date of the final executed settlement agreement resolving the above-referenced lawsuit (“PAGA Members”) will receive a portion of the settlement in exchange for a release of all claims that could be made pursuant to the Private Attorneys General Act (Labor Code section 2699, et seq.) for alleged violations of the California Labor Code, arising at any time during the PAGA Period for the claims brought by Plaintiff in the Action or that could have been brought against Released Parties in the Action based on the facts or theories alleged in Plaintiffs’ PAGA letters (including her letters dated October 5, 2023 and December 29, 2023) or the Action, between October 5, 2022 and [settlement execution date]. No wage claims are released by this settlement. There is no opportunity to opt-out of this PAGA settlement. The enclosed check represents your portion of the settlement recovery. Your enclosed check is valid for 180 days from the date of issuance. We suggest you cash it promptly. For tax purposes, an IRS Form 1099 will be issued to you for this payment.

EXHIBIT 2

Ross E. Shanberg (SBN 179842)
Shane C. Stafford (SBN 216151)
SHANBERG STAFFORD LLP
4100 Newport Beach Place, #820
Newport Beach, California 92660
Telephone: (949) 205-7515
Facsimile: (949) 205-7144
rshanberg@ssbfirm.com
sstafford@ssbfirm.com

Attorneys for Plaintiff
VALERIE FURNIA
on behalf of herself and all others similarly situated

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

VALERIE FURNIA, an individual on
behalf of herself and others similarly
situated,

Plaintiff,

vs.

HEARTLAND PAYMENT SYSTEMS,
LLC., a Delaware limited liability
company; GLOBAL PAYMENTS, INC.,
a Georgia corporation; and DOES 1-10
inclusive,

Defendants.

Case No.: 24STCV00988

**FIRST AMENDED COMPLAINT FOR
CIVIL PENALTIES UNDER THE PRIVATE
ATTORNEYS GENERAL ACT ("PAGA")
[California Labor Code §§2698, et seq.]**

DEMAND FOR JURY TRIAL

Complaint Filed: January 12, 2024

1 **I. INTRODUCTION**

2 Plaintiff Valerie Furnia, on behalf of herself and all others similarly situated, for her causes
3 of action against Defendants HEARTLAND PAYMENT SYSTEMS, LLC. ("Heartland"),
4 GLOBAL PAYMENTS, INC. ("Global Payments"), and DOES 1-10 inclusive, (hereinafter
5 Heartland, Global Payments, and DOES 1 through 10 are sometimes collectively referred to herein
6 as "Defendants"), hereby complains and alleges as follows:

7 1. This lawsuit is directed at Defendants' California state law violations of wage and
8 hour laws and other Labor Code violations -- it is a representative action seeking recovery of civil
9 penalties under the Private Attorneys General Act of 2004 ("PAGA"), and the California Labor
10 Code ("Labor Code") §§2698, et seq. PAGA permits "aggrieved employees" to bring a lawsuit as
11 a representative action on behalf of themselves and other aggrieved current and former employees
12 to recover civil penalties for Defendant's violations of the Labor Code, including, but not limited to
13 Labor Code §§200, et seq., 232, 232.5, 432.5, 500, et seq., 1102.5, 1174, 1194, 1197.5, 1198, 2699,
14 and all applicable Industrial Welfare Commission ("IWC") Orders.

15 2. This action is brought as a representative action on behalf of all current and former
16 aggrieved employees who were employed by Defendants in California and who work or worked as
17 non-exempt employees and/or who were misclassified as exempt employees during the applicable
18 time period and who were subject to Defendants' wage and hour policies and/or practices.

19 3. As set forth in detail below, Defendants consistently implemented, maintained and
20 enforced unlawful policies and practices regarding Plaintiff in violation of California's wage and
21 hour laws, which led to Defendants' violations of Labor Code §§ 201, 202, 203, 204, 221, 223,
22 226, 226.7, 510, 1174, 1194, 1197, 1197.1, 2751, and 2802, and applicable IWC Wage Orders due
23 to Defendants': (1) failure to pay all wages, including minimum wages, straight time wages, and
24 overtime compensation; (2) illegal deductions from earned wages; (3) commissions contracts
25 violations; (4) failure to provide meal periods or provide compensation in lieu thereof; (5) failure to
26 authorize and permit rest periods or provide compensation in lieu thereof; (6) failure to properly
27 maintain and submit accurate itemized wage statements; (7) failure to timely pay all wages owed;
28 and (8) failure to reimburse for necessary business expenditures.

1 4. As a matter of policy and practice, Defendants have adopted, implemented, and
2 enforced a program whereby it requires employees to execute and agree to restrictive covenants
3 and confidentiality provisions that clearly violate California law. These unlawful provisions are
4 most clearly identified in the California Sales Employee Agreement, which states, among other
5 things, that information regarding “personnel training,” “support and development programs and
6 materials,” “operating procedures,” compensation schedules and reports,” “and any other
7 information concerning HPS or any of its affiliates or the business of HPS or any of its affiliates or
8 any employees” is considered “Confidential Information” and shall be kept in strict confidence
9 during employment and “thereafter.” These overly restrictive, and unlawful, provisions are then
10 reinforced by HPS Sales Policy 42.0 – Sales Policy on Restrictive Covenant Compliance. Upon
11 separation from employment employees are reminded “Please note that you are not entitled to
12 keep, maintain, divulge or use any Heartland confidential information for any reason.”

13 5. Defendants have therefore committed numerous additional violations of the
14 California Labor Code, including, but not limited to, Labor Code §§ 232, 232.5, 432.5, 1102.5,
15 1197.5 due to Defendants’ confidentiality policies that prohibit employees from disclosing the
16 amount of their wages; require employees to refrain from disclosing information about the
17 employer’s working conditions; require employees to agree to terms and conditions which are
18 known by Defendants to be prohibited by law; prohibit disclosure of information to the
19 government or a law enforcement agency; and restrict employees from reporting violations of the
20 law to an employee who has the authority to investigate, discover, or correct the violation of law.

21 6. Such policies and practices, as described herein, violate the Labor Code, and
22 therefore trigger civil penalties under Labor Code §2699. Therefore, Plaintiff, on behalf of herself
23 and all aggrieved employees, brings this representative PAGA action pursuant to the provisions of
24 the Labor Code as referenced herein. Plaintiff seeks recovery of civil penalties, reasonable
25 attorney’s fees and costs, and other relief as deemed proper.
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1 **II. VENUE**

2 7. Venue in Los Angeles is proper in this matter as Defendants' liabilities and
3 obligations arose in Los Angeles. In addition, the employment agreement between the parties
4 states the parties agree any action shall be filed in Los Angeles Superior Court, Central Civil West.

5 **III. PARTIES**

6 8. Plaintiff worked for Defendants as a Relationship Manager from April 2023 to
7 August 2023. Her duties included prospecting and closing new merchant account sales and
8 providing service to customers when necessary.

9 9. Plaintiff is informed and believes, and thereon alleges, that Defendant Heartland is a
10 Delaware limited liability company, with operations and employees throughout California and the
11 United States. Heartland offers payment processing services throughout the United States and
12 California, including in Los Angeles. Defendant Heartland is, and at all times relevant to this
13 Complaint was, an employer and limited liability company covered by California's Business &
14 Professions Code.

15 10. Plaintiff is further informed and believes, and thereon alleges, that Defendant
16 Global Payments is a payment technology company providing software and services to customers.
17 Defendant Global Payments is, and at all times relevant to this Complaint was, an employer and
18 corporation covered by California's Business & Professions Code.

19 11. Plaintiff is ignorant of the true names and capacities of Doe Defendants and
20 therefore sues them by fictitious names. Plaintiff will amend this Complaint to allege the true
21 names and capacities of the Doe Defendants when ascertained. Plaintiff is informed and believes,
22 and thereon alleges, that each of the Doe Defendants is responsible in some manner for the
23 occurrences alleged herein. Plaintiff is further informed and believes, and alleges thereon, that at
24 all relevant times, Doe Defendants have held executive positions with Defendants, and/or have
25 acted on behalf of Heartland and/or Global Payments by exercising decision-making responsibility
26 for and by establishing unlawful policies for Heartland. Plaintiff is informed and believes, and on
27 that basis alleges, that at all times relevant to this Complaint, Doe Defendants, and each of them,
28 acted as an employer of Plaintiff and the members of the Class within the definition of California's

1 Wage Orders and Labor Code. Heartland, Global Payments, and Doe Defendants are collectively
2 hereinafter referred to as “Defendants.”

3 12. At all times herein mentioned, each of the Defendants participated in the doing of
4 the acts hereinafter alleged to have been done by the named Defendants; and furthermore,
5 Defendants, and each of them, were the agents, servants, and employees of each and every one of
6 the other Defendants, as well as the agents of all Defendants, and at all times herein mentioned
7 were acting within the course and scope of said agency and employment. Plaintiff herein alleges
8 that Defendants and each of them is the joint employer of Plaintiff and the aggrieved employees.

9 13. At all times mentioned herein, Defendants, and each of them, were members of and
10 engaged in a joint venture, partnership, and common enterprise, and acting within the course and
11 scope of and in pursuance of said joint venture, partnership, and common enterprise.

12 14. At all times herein mentioned, the acts and omissions of various Defendants, and
13 each of them, concurred and contributed to the various acts and omissions of each and every one of
14 the other Defendants in proximately causing the complaints, injuries, and damages alleged herein.

15 15. At all times herein mentioned, Defendants, and each of them, approved of,
16 condoned, and/or otherwise ratified each and every one of the acts or omissions complained of
17 herein. At all times herein mentioned, Defendants, and each of them, aided and abetted the acts
18 and omissions of each and every one of the other Defendants, thereby proximately causing the
19 damages, as herein alleged.

20 **IV. PRIVATE ATTORNEYS GENERAL ACT CLAIM**

21 16. The California Superior Court has jurisdiction in this matter because both the
22 individual and aggregate penalties sought herein exceed the minimal jurisdictional limits of the
23 Superior Court and will be established at trial, according to proof. The California Superior Court
24 also has jurisdiction in this matter because the Plaintiff and the aggrieved employees herein were
25 all California citizens.

26 17. On or about October 5, 2023, Plaintiff provided written notice via certified mail to
27 the Labor and Workforce Development Agency (“LWDA”), and Defendants, of the specific
28 provisions of the Labor Code alleged to have been violated, including the facts and theories to
support the alleged violations.

1 18. The LWDA failed to respond to Plaintiff's correspondence and failed to notify
2 counsel as to whether it would investigate the allegations contained therein, within 65 calendar
3 days of the postmark date of Plaintiff' correspondence as required under Labor Code § 2699.3.
4 Plaintiff has fully complied with the notice requirements set forth in Labor Code § 2699.3 in order
5 to commence a civil action against an employer pursuant to Labor Code § 2699.

6 19. On or about December 29, 2023, Plaintiff provided supplemental written notice via
7 certified mail to the LWDA, and Defendants, of the additional provisions of the Labor Code
8 alleged to have been violated, including the facts and theories to support the alleged violations. The
9 LWDA failed to respond to Plaintiff's supplemental correspondence and failed to notify counsel as
10 to whether it would investigate the allegations contained therein, within 65 calendar days of the
11 postmark date of Plaintiff's supplemental correspondence as required under Labor Code § 2699.3.
12 Plaintiff has fully complied with the notice requirements set forth in Labor Code § 2699.3 in order
13 to commence a civil action against an employer pursuant to Labor Code § 2699.

14 20. Defendants' failure to pay Plaintiff and the aggrieved employees for all hours
15 worked, minimum wages, overtime compensation, illegal deductions from earned wages,
16 commissions contracts violations, failure to provide meal periods, failure to authorize and permit
17 rest periods, failure to provide accurate itemized wage statements, failure to pay all wages upon
18 termination or resignation, failure to reimburse for necessary business expenditures, and unlawful
19 restrictive covenants and confidentiality provisions will subject Defendants to civil penalties
20 pursuant to Labor Code § 2699, et seq.

21 21. Plaintiff is an aggrieved employee as defined in Labor Code §§ 2699(a) and (c), and
22 related Labor Code provisions. Plaintiff brings the cause of action below on behalf of herself, as
23 private attorneys general, and in a representative capacity on behalf of other aggrieved employees
24 affected by the labor law violations alleged herein.

25 **A. FAILURE TO PAY PROPER WAGES AND OVERTIME**
26 **COMPENSATION**

27 22. California Labor Code 510(a) and the IWC Wage Orders regulating payment of
28 wages in California, provide that eight (8) hours of labor constitutes a day's work and any work in
excess of eight (8) hours in one (1) workday and any work in excess of forty (40) hours in any one

workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for each employee and any work in excess of twelve (12) hours in any one workday shall be compensated at the rate of no less than twice the regular rate of pay for each employee.

23. California Labor Code § 1194 states that any employee receiving less than the legal overtime compensation due is entitled to recover the unpaid balance of the full amount of this overtime compensation, including interest, reasonable attorney's fees, and costs of suit.

24. Plaintiff is informed and believes and thereon alleges that as part of Defendants' ongoing practices, Defendants' hourly employees worked in excess of eight (8) hours per day, and in excess of forty (40) hours per week, without receiving the proper overtime compensation.

25. As a matter of policy and practice, Defendants have adopted, implemented and enforced a program whereby it underpays, does not pay at all, and/or fails to pay overtime to, its employees for certain work performed for Defendants. Before being hired as full-time employees, Plaintiff Furnia, and all other similarly situated aggrieved employees, are required to go through a "Field Week" program with Defendants. Under the Field Week program, Defendants requires prospective employees to generate at least 10 first time appointments (FTAs) with a decision maker for the business, and set 4 coffee dates with sales professionals, CPAs, industry professionals, bankers, or the like within a 10-day period. During this period of time, the participants in Field Week are paid below the minimum wage for their hours worked, are not paid overtime for their hours worked, and/or are not paid at all. Typically, a participant in Field Week works between 45-60 hours to generate the 10 FTAs and 4 coffee dates required for full time employment.

B. UNLAWFUL DEDUCTIONS FROM WAGES – Labor Code § 221

26. Defendants have also engaged in illegal deductions from Plaintiffs' earned wages. Defendants, for instance, have adopted, implemented, and enforced a "Portfolio Buyout" program whereby Defendants deduct from Plaintiffs' vested wages amounts purportedly owed to Defendants, without authorization from the Plaintiffs, and without any basis for doing so. Plaintiff Furnia, as an example, received "bridge compensation" during the course of her employment, whereby Defendants agreed to pay her a salary in lieu of commissions for a period of weeks until Plaintiff Furnia could secure enough clients to obtain meaningful commissions. However, even though Defendants had no right to recoup the "bridge compensation" at any time, Defendants setoff

1 such “bridge compensation” from Plaintiff Furnia’s wages in order repay themselves. Plaintiff
2 Furnia is informed and believes, and based thereon alleges, that Defendants engaged in the same
3 practices with other similarly situated employees as Plaintiff Furnia.

4 27. Further, Heartland unilaterally and regularly makes unlawful deductions from
5 Salespersons’ earned wages, including Salespersons’ vested portfolio equity in customer accounts.
6 As an example, Salespersons are entitled to residual commissions for life as part of Heartland’s
7 sales compensation policies. Notwithstanding Salespersons’ vested rights in residual commissions,
8 Heartland regularly and without proper notice conducts forced “Portfolio Buyouts” of those
9 commissions to purportedly repay Heartland for monies that Heartland contends Salespersons owe
10 Heartland, even though such monies include reimbursable business expenses, bridge compensation,
11 and other amounts (commonly referred to as “A/R Balances”) that are actually owed by Heartland
12 to Salespersons. This amounts to wage theft.

13 28. In addition, Plaintiff Furnia is informed and believes, and based thereon alleges, that
14 when initiating a “Portfolio Buyout,” Heartland “buys out” the most profitable customer accounts,
15 thus depriving the Plaintiff Furnia and other similarly situated aggrieved employees of future
16 residual commissions for the life of the account. Further, Defendants fail and refuse to identify
17 how such accounts are chosen, or how the amounts are calculated as part of the “Portfolio Buyout.”

18 29. Heartland has also adopted, implemented, and enforced policies and practices
19 whereby Heartland “grosses up” monies allegedly owed to Heartland by Salespersons, by
20 improperly deducting taxes in addition to the principal amount allegedly owed to Heartland by
21 Salespersons. Heartland further engages in other illegal deductions without notice or authorization,
22 and by which Heartland puts the burden on its employees to be the insurer of Heartland’s business
23 losses, which is patently illegal.

24 30. As a result, Defendants have violated Labor Code §§ 221 and 223.

25 31. Pursuant to Labor Code §§ 2699, 2699.3, and/or 2699.5, Plaintiff is an aggrieved
26 employee, entitled to recover civil penalties pursuant to the Labor Code, including but not limited
27 to Labor Code §§ 558 and 2699(f).
28

1 **C. COMMISSIONS CONTRACTS - Labor Code § 2751**

2 32. Pursuant to Labor Code § 2751, “Whenever an employer enters into a contract of
3 employment with an employee for services to be rendered within this state and the contemplated
4 method of payment of the employee involves commissions, the contract shall be in writing and
5 shall set forth the method by which the commission shall be computed and paid. The employer
6 shall give a signed copy of the contract to every employee who is a party thereto and shall obtain a
7 signed receipt for the contract from the employee.”

8 33. Contrary to this Labor Code provision, Plaintiff Furnia and other aggrieved
9 employees were not provided with a signed employment contract detailing all requirements of LC
10 2751, including the method by which commissions shall be computed and paid. Plaintiff and other
11 aggrieved employees signed employment agreement did not include sales commission details,
12 including how commissions were to be computed and paid. Defendants “commission plan” was
13 not memorialized in Plaintiff’s signed employment agreement, nor was the precise method of
14 computation and payment identified therein. On the contrary, Defendants maintained numerous,
15 separate, “sales policies” and other documents which purported to specify the method of
16 computation for payment of commissions, however, Plaintiff and the aggrieved employees were
17 unable to comprehend these numerous convoluted documents and policies which failed to identify
18 in clear and concise terms how commissions were to be computed, earned, and paid. In other
19 words, Defendants failed to maintain a clear and unambiguous commission plan for which
20 employees understood precisely how commissions would be paid and what commission payments
21 they would receive as part of the services rendered.

22 34. Pursuant to Labor Code §§ 2699, 2699.3, and/or 2699.5, Plaintiff is an aggrieved
23 employee, entitled to recover civil penalties pursuant to the Labor Code, including but not limited
24 to Labor Code §§ 558 and 2699(f).

25 **D. VIOLATION OF MEAL PERIOD PROVISIONS**

26 35. California Labor Code § 512 and applicable IWC Wage Orders state that an
27 employer may not employ an employee for a work period of more than five (5) hours per day
28 without providing the employee a meal period of not less than 30 minutes, and an employer may

1 not employ an employee for a work period of more than 10 hours per day without providing the
2 employee with a second meal period of not less than 30 minutes.

3 36. Unless the employee is relieved of all duty during a 30-minute meal period, the
4 meal period shall be considered an “on duty” meal period and counted as time worked. California
5 Labor Code § 226.7(a) further states that no employer shall require any employee to work during
6 any meal mandated by an applicable order of the IWC.

7 37. Employers are prohibited from exerting coercion against the taking of, creating
8 incentives to forego, or otherwise encouraging the skipping of legally protected breaks.

9 38. Defendants failed to provide Plaintiff with meal periods under California law.
10 Plaintiff Furnia, and all other similarly situated aggrieved employees who participated in “Field
11 Week” were never afforded any ability to take meal periods, as they were under Defendants’
12 direction and control to set up the requisite number of appointments and referrals in a limited time.

13 39. Pursuant to California Labor Code § 226.7(c) and applicable IWC Wage Orders, if
14 an employer fails to provide an employee a meal period in accordance with the applicable
15 provisions of the IWC Wage Orders, the employer shall pay the employee one (1) hour of pay at
16 the employee’s regular rate of pay for each workday that the meal period is not provided. As such,
17 Plaintiff is entitled to an additional one hour’s pay for each day in which Plaintiff was not provided
18 a proper meal break.

19 40. Defendants failed to pay Plaintiff and all other similarly situated aggrieved
20 employees one hour of pay at the regular rate of pay for each workday that a 30-minute duty-free
21 meal period was not provided.

22 41. Defendants’ improper meal period policies are in violation of California law
23 including, but not limited to Labor Code § 226.7, 512, and applicable IWC Wage Orders.
24 Defendants failed and continue to fail to pay for meal period violations at the employees’ regular
25 rate of pay in violation of the applicable Wage Orders.

26 42. Plaintiff requests that the Court award interest on all unpaid wages at the legal rate
27 specified by California Civil Code § 3289(b), accruing from the date the wages were due and
28 payable pursuant to Labor Code § 218.6.

1 43. Pursuant to Labor Code §§ 2699, 2699.3, and/or 2699.5, Plaintiff is an aggrieved
2 employee, entitled to recover civil penalties pursuant to the Labor Code, including but not limited
3 to Labor Code §§ 558, 2699(f), and applicable IWC Wage Orders.

4 **E. FAILURE TO AUTHORIZE OR PERMIT REST PERIODS**

5 44. The IWC Wage Orders state that every employer shall authorize and permit all
6 employees to take rest periods. The authorized rest period time shall be based on the total hours
7 worked daily at the rate of ten (10) minutes net rest time per four hours of work, or major fraction
8 thereof. An employer must provide employees with 10 minutes' rest for shifts from three and one-
9 half to six hours in length, 20 minutes for shifts of more than six hours up to 10 hours, 30 minutes
10 for shifts of more than 10 hours up to 14 hours, and so on.

11 45. Defendants failed to adopt, implement, and enforce a uniform rest period policy that
12 complied with California law. Defendants failed to authorize and permit Plaintiff and all other
13 similarly situated aggrieved employees to take duty free rest periods of 10 minutes for every four
14 hours worked or major fraction thereof, by requiring Plaintiff and all other similarly situated
15 aggrieved employees to regularly work through rest periods to complete the job duties. As a
16 commissioned salesperson, Plaintiff Furnia was also not paid separately for rest periods in violation
of California law.

17 46. Pursuant to California Labor Code § 226.7(c) and the applicable IWC Wage Orders,
18 if an employer fails to provide an employee a rest period in accordance with the applicable IWC
19 Wage Orders, the employer shall pay the employee one (1) hour of pay at the employee's regular
20 rate of compensation for each workday that the rest period is not provided.

21 47. Defendants failed to pay Plaintiff and all other similarly situated aggrieved
22 employees a missed rest period premium pursuant to Labor Code § 226.7 for each rest period that
23 was not authorized or permitted, and/or failed to pay such rest period premium at their regular rate
24 of pay. As a result of Defendant's lack of any r rest break policy that complies with California law,
25 Defendants have violated Labor Code § 512 and 226.7 and the applicable Industrial Welfare
26 Commission wage order.

27 48. Pursuant to Labor Code § 2699, Plaintiff seeks to recover civil penalties, as
28 otherwise provided by statute and wage order, for which Defendants are liable as a result of their

1 violations of the Labor Code and applicable wage order(s) in an amount to be proven at trial.
2 These penalties include, but are not limited to, those provided by Labor Code §§ 210, 225.5, 226.3,
3 256, 558, 1174.5, 1197.1, and 2699. Plaintiffs further seek an award of reasonable attorneys' fees
4 and costs pursuant to the Labor Code §2699(g)(1) and any other applicable statute.

5 49. Pursuant to Labor Code §§ 2699, 2699.3, and/or 2699.5, Plaintiff is an aggrieved
6 employee, entitled to recover civil penalties pursuant to the Labor Code, including but not limited
7 to Labor Code §§558, 2699(f), and applicable IWC Wage Orders.

8 **F. FAILURE TO PROVIDE ITEMIZED WAGE STATEMENTS**

9 50. Labor Code § 226(a) provides that every employer shall, semi-monthly or at the time
10 of each payment of wages, furnish each its employees, an accurate, itemized statement in writing,
11 showing (1) gross wages earned, (2) total hours worked, (3) the number of piece rate units earned if
12 applicable, (4) all deductions, (5) net wages earned, (6) the inclusive dates of the period for which
13 the employee was paid, (7) the name of the employee and last 4 digits of the social security number,
14 (8) the name of the employer and (9) all applicable daily rates in effect during the pay period and
corresponding number of hours worked.

15 51. Plaintiff is informed, and believes, and thereon alleges, that Defendants, and each of
16 them, failed to provide Plaintiff Furnia and other similarly situated aggrieved employees who
17 participate in the Field Week program with any wage statements setting forth any of the
18 information required under California Labor Code § 226, including but not limited to total hours
19 worked, any applicable hourly rates in effect during the Field Week period, including the regular
20 hourly rate and overtime rate, and all other information required by California law.

21 52. Defendants' pay stubs are also invalid because Plaintiff Furnia and other similarly
22 situated aggrieved employees are not paid all wages due, their wage statements fail to accurately
23 state all gross wages earned, in violation of Labor Code § 226(a)(1), net wages earned, in violation
24 of Labor Code § 226(a)(5), total hours worked, in violation of Labor Code §226(a)(2), and all
25 applicable hourly rates in effect during the pay period and the corresponding number of hours
26 worked at each hourly rate, in violation of Labor Code § 226(a)(9). The wage statements also fail
27 to accurately report on Plaintiffs' wage statements proper deductions, in violation of Labor Code §
28 226(a)(4). Thus, Heartland will be responsible for penalties under Labor Code § section 226.

1 53. Defendants also willfully failed to provide compliant wage statements to Plaintiff
2 Furnia and other similarly situated aggrieved employees by failing and refusing to identify wage
3 deductions or other information required by Labor Code § 226, and as such, Plaintiff and cannot
4 promptly and other similarly situated aggrieved employees cannot easily determine the accuracy of
5 such information from the wage statements alone.

6 54. As a direct and proximate result of Defendants' conduct, Plaintiff and other
7 similarly situated aggrieved employees suffered substantial losses, and they have been deprived of
8 compensation to which they were entitled, according to proof, including monetary damages, pre-
9 judgment interest, costs, and attorneys' fees for the prosecution of this action.

10 55. As a direct and proximate result of Defendants' conduct, Plaintiff and other
11 similarly situated aggrieved employees are each entitled to recover \$50 for the initial pay period in
12 which a violation of Labor Code § 226 occurred, and \$100 per each violation in a subsequent pay
13 period, not to exceed \$4000 per Plaintiff, pursuant to Labor Code §226(e).

14 56. Pursuant to Labor Code §§ 2699, 2699.3, and/or 2699.5, Plaintiff is an aggrieved
15 employee, entitled to recover civil penalties pursuant to the Labor Code, including but not limited
16 to Labor Code §§ 558, 2699(f), and applicable IWC Wage Orders.

17 **G. VIOLATION OF LABOR CODE § 200, ET SEQ.**

18 57. Labor Code § 200, et seq. provides that an employer is required to pay an employee
19 all wages immediately upon the employee's involuntary separation from employment; immediately
20 upon his or her voluntary separation if the employee gave at least seventy-two (72) hours' notice,
21 and within seventy-two (72) hours, if the employee voluntarily separated, but did not give at least
22 seventy-two (72) hours' notice.

23 58. Plaintiff is informed and believes and thereon alleges that as part of Defendants'
24 ongoing practices, Defendants failed to provide all employees all wages at the time of their
25 separation in violation of Labor Code § 200, et. seq.

26 59. Plaintiff is informed and believes and thereon alleges that Defendants willfully
27 failed and refused to timely pay all compensation due and owing to Plaintiff Furnia and other
28 similarly situated aggrieved employees who participate in the Field Week program whose
employment was terminated during the relevant time period, as required by Labor Code §§ 201 and

1 202. For instance, Plaintiff Furnia and other similarly aggrieved employees have been paid below
2 the minimum wage for their hours worked during the Field Week program, and others similarly
3 situated have not been paid at all, and oftentimes, the monies owed are not paid for weeks or
4 months after the work is performed. As such, Defendants are liable for accrued wages due, and
5 waiting time penalties owed, in accordance with Labor Code § 203.

6 60. Pursuant to Labor Code § 200, et seq. employees that no longer work for
7 Defendants, and who were not timely paid, are entitled to one (1) day of pay in penalties for each
8 day that he or she was paid late, until payment was made, up to a maximum of thirty (30) days.

9 61. Pursuant to Labor Code §§ 2699, 2699.3, and/or 2699.5, Plaintiff is an aggrieved
10 employee, entitled to recover civil penalties pursuant to the Labor Code, including but not limited
11 to Labor Code §§ 558 and 2699(f).

12 **H. FAILURE TO INDEMNIFY AND/OR REIMBURSE EXPENSES**

13 62. California Labor Code § 2802 provides that "[a]n employer shall indemnify his or
14 her employee for all necessary expenditures or losses incurred by the employee in direct
15 consequence of the discharge of his or her duties."

16 63. Defendants failed and refused to reimburse Plaintiff Furnia and other similarly
17 situated aggrieved employees for expenses incurred in performing their job duties. As a matter of
18 policy and practice, Defendants requires all sales employees to maintain increased limits and
19 additional coverage on their auto insurance policies for the direct benefit of Defendants. For
20 instance, Plaintiff Furnia and others similarly situated are required to obtain auto insurance with
21 minimum liability policies of \$300,000 per incident, add Heartland as an additional insured to their
22 auto insurance policies, and declare that their vehicles were used for business purposes.

23 64. To obtain such insurance policies, Plaintiff Furnia incurred extra auto insurance
24 expenses of at least \$30 per month, and Plaintiff is informed and believes, and based thereon alleges,
25 that other similarly situated aggrieved employees incurred additional auto insurance expenses based
26 on Defendants' enhanced insurance requirements. Notwithstanding that these requirements
27 increased the insurance premiums for Plaintiff, Defendants failed and refused to reimburse Plaintiff
28 for such premium increases.

1 65. Moreover, Defendants have adopted and implemented a reimbursement policy
2 whereby sales employees, including Plaintiff, are not compensated for all of their other reimbursable
3 expenses. For instance, Defendants allocate 25 percent of Salespersons' commissions to
4 reimbursements for expenses, but then regularly classify those same commissions as "advances", not
5 earned wages, such that Defendants recoup such advanced amounts through various means,
6 including through the use of "true-ups" and "portfolio buyouts," thus making the expense
7 reimbursement allocation illusory.

8 66. Plaintiff is further informed and believes, and based thereon alleges, that Defendants
9 failed and refused to pay Plaintiff and other similarly situated aggrieved employees enhanced sales
10 commissions to compensate Salespersons for their substantial business expenses or any other means
11 of lawfully reimbursing Salespersons for their business expenses.

12 67. Plaintiff is informed and believes, and based thereon alleges, that Defendants
13 allocate a certain percentage of Plaintiff's commissions to reimbursements for expenses, but at the
14 same time fails and refuses to pay Plaintiff enhanced sales commissions. Additionally, Defendants
15 have adopted policies and procedures that expressly state that Defendant does not pay for mileage
16 driven to merchant locations, and Defendants do not pay for other expenses incurred that are
17 necessary to carry out Plaintiff's sales activities.

18 68. Additionally, Defendants required Plaintiff and others similarly situated to use their
19 personal cell phones, computers, and home internet to carry out their job duties. Defendants failed
20 to indemnify or reimburse Plaintiff and other aggrieved employees for these expenses.

21 69. Finally, Defendants have had no policy or practice of reimbursing trainees
22 participating in "Field Week" for mileage incurred in using their personal vehicles or for personal
23 cell phone use, both of which were reasonably necessary to perform the work of a trainee.

24 70. Pursuant to Labor Code §§ 2699, 2699.3, and/or 2699.5, Plaintiff is an aggrieved
25 employee, entitled to recover civil penalties pursuant to the Labor Code, including but not limited
26 To Labor Code §§558, 2699(f), and applicable IWC Wage Orders.
27
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1 **I. ILLEGAL PROHIBITION ON DISCLOSURE OF INFORMATION ABOUT**
2 **WAGES IN VIOLATION OF LABOR CODE §§ 232**

3 71. As described above, Defendants require employees, as a condition of employment,
4 to refrain from disclosing information about or discussing wages. This is a violation of California
5 Labor Code §§ 232(a) and (b).

6 72. Under the Private Attorneys General Act (PAGA), the penalty for a violation of
7 Labor Code § 232 is “one hundred dollars (\$100) for each aggrieved employee per period for the
8 initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period for
9 each subsequent violation.”

10 73. Plaintiff seeks from Heartland and Global Payments separately, on behalf of herself,
11 the State of California, and all of the aggrieved employees, PAGA penalties as set forth above for
12 each employee per pay period within the statutory time frame.

13 **J. ILLEGAL PROHIBITION ON DISCLOSURE OF INFORMATION ABOUT**
14 **WORKING CONDITIONS**

15 74. As described above, Defendants require employees, as a condition of employment,
16 to refrain from disclosing information about Defendants’ working conditions. This is a violation of
17 California Labor Code §§ 232.5(a) and (b).

18 75. Under the Private Attorneys General Act (PAGA), the penalty for a violation of
19 Labor Code § 232.5 is “one hundred dollars (\$100) for each aggrieved employee per period for
20 the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period
21 for each subsequent violation.”

22 76. Plaintiff seeks from Heartland and Global Payments separately, on behalf of
23 herself, the State of California, and all aggrieved employees, PAGA penalties as set forth above for
24 each employee per pay period within the statutory time frame.

25 **K. ILLEGALLY REQUIRING EMPLOYEES TO AGREE TO TERMS AND**
26 **CONDITIONS KNOWN BY EMPLOYER TO BE PROHIBITED BY LAW**

27 77. Labor Code § 432.5 provides that no employer shall require any employee or
28 applicant for employment to agree, in writing, to any term or condition which is known by the
29 employer to be prohibited by law. Defendants’ confidentiality policies clearly violate the law as

discussed herein. The restrictive covenants also violate Business & Professions Code § 16600 and 17200, thereby further demonstrating the violations of Labor Code § 432.5.

78. Defendants, through their agreements and other documents, did or do require its employees to agree in writing to terms and conditions prohibited by law.

79. Defendants know or should have known that its agreements and other documents are prohibited by law.

80. Under the Private Attorneys General Act (PAGA), the penalty for a violation of Labor Code § 432.5 “is one hundred dollars (\$100) for each aggrieved employee per period for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation.”

81. Plaintiff seeks from Heartland and Global Payments separately, on behalf of herself, the State of California, and all aggrieved employees, PAGA penalties as set forth above for each employee per pay period within the statutory time frame.

L. ILLEGAL PROHIBITION ON WHISTLEBLOWING

82. Labor Code § 1102.5(a) states that an employer “shall not make, adopt, or enforce any rule, regulation or policy preventing an employee from disclosing information to a government or law enforcement agency . . . if the employee has reasonable cause to believe that the information discloses a violation [of the law].” Defendants’ policy that employees sign certain illegal confidentiality agreements and other documents violate this provision. Moreover, the fact that employees cannot discuss Defendants’ confidential information “for any reason” demonstrates how they prohibit disclosure of information to the government or a law enforcement agency of potential violations of the law. The agreements and policies thus violate Labor Code § 1102.5(a).

83. Labor Code § 1102.5(a) also states that an employer shall not make, adopt, or enforce any policy that prevents an employee from disclosing information to a person with authority over the employee, or to an employee who has the authority to investigate, discover, or correct the violation of law, if the employee has reasonable cause to believe that the information discloses a violation of the law. Defendants’ unlawful policies restrict employees from reporting violations of the law internally as employees are prohibited from communicating with other employees that Defendants’ conduct is illegal. This violates Labor Code § 1102.5(a).

1 84. Under the Private Attorneys General Act (PAGA), the penalty for a violation of
2 Labor Code § 1102.5 is both \$10,000 per employee violation and “one hundred dollars (\$100)
3 for each aggrieved employee per period for the initial violation and two hundred dollars (\$200)
4 for each aggrieved employee per pay period for each subsequent violation.”

5 85. Plaintiff seeks from Heartland and Global Payments separately, on behalf of herself,
6 the State of California, and all aggrieved employees, PAGA penalties as set forth above for each
7 employee per pay period within the statutory time frame.

8 **M. ILLEGAL PROHIBITION ON DISCLOSURE OF INFORMATION ABOUT**
9 **WAGES IN VIOLATION OF LABOR CODE § 1197.5(j)/(k)**

10 86. Labor Code § 1197.5(k) states that “an employer shall not prohibit an employee
11 from disclosing the employee’s own wages, discussing the wages of others, inquiring about
12 another’s wages, or aiding or encouraging any other employee to exercise his or her rights under
13 this section.” Defendants’ confidentiality agreements and policies prohibit employees from
14 engaging in any of these acts. This is a violation of Labor Code § 1197.5(k).

15 87. Plaintiff seeks from Heartland and Global Payments separately, on behalf of herself,
16 the State of California, and all aggrieved employees, PAGA penalties for each employee currently
17 or formerly employed by Heartland and Global Payments in California, per pay period, within the
18 statutory time frame.

19 **WHEREFORE**, Plaintiff prays:

20 a. For civil penalties pursuant to Labor Code § 2699(f), in addition to and entirely
21 independent and apart from other penalties in the Labor Code and for Labor Code violations
22 without a specific civil penalty, in the amount of \$100 for each aggrieved employee per pay period
23 for each violation, and \$200 for each aggrieved employee per pay period for each subsequent
24 violation;

25 b. For civil penalties pursuant to Labor Code § 558, as follows:

- 26 i. For any initial violation, fifty dollars (\$50) for each aggrieved underpaid
27 employee for each pay period for which the employee was underpaid;
28 ii. For each subsequent violation, one hundred dollars (\$100) for each

aggrieved underpaid employee for each pay period for which the employee was underpaid;

c. For civil penalties pursuant to Labor Code § 1197.1, as follows:

i. For any initial violation that is intentionally committed, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee is underpaid;

ii. For each subsequent violation for the same offense, two hundred fifty dollars (\$250) for each aggrieved underpaid employee for each pay period for which the employee was underpaid regardless of whether the initial violation is intentionally committed;

d. For civil penalties per Labor Code § 225.5 in the amount of \$100 for each failure to pay each employee, and \$200 for each subsequent failure to pay each employee, plus 25 percent of the amount unlawfully withheld.

e. For civil penalties per Labor Code § 226.3 in the amount of \$250 for each aggrieved employee per pay period for each violation, and \$1,000 for each aggrieved employee per pay period for each subsequent violation;

f. For civil penalties per Labor Code § 1174.5 in the amount of \$500 for each willful failure to maintain records as required by Labor Code §1174(c).

g. For civil penalties per Labor Code § 256 in the amount of one day of pay, at the same rate, for each day that an aggrieved employee was paid late, at the time of termination, until payment was/is made, up to a maximum of thirty (30) days;

h. For civil penalties per Labor Code § 210 in the amount of \$100 for each failure to pay each employee, and for each subsequent violation, or any willful or intentional violation, \$200 for each failure to pay each employee, plus 25 percent of the amount unlawfully withheld.

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- i. For reasonable attorneys' fees and costs incurred; and
j. For such relief as this Court may deem just and proper.

Dated: March 12, 2024

SHANBERG STAFFORD LLP

By: /s/ Shane C. Stafford /s/
Ross E. Shanberg
Shane C. Stafford
Attorneys for Plaintiff VALERIE FURNIA,
on behalf of herself and all other aggrieved
employees

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Dated: March 12, 2024

By: /s/ Shane C. Stafford /s/
 Ross E. Shanberg
 Shane C. Stafford
 Attorneys for Plaintiff VALERIE FURNIA,
 on behalf of herself and all other similarly
 situated employees

I, the undersigned, am employed in the County of Orange, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 4100 Newport Place Dr. Suite 820, Newport Beach, California 92660.

On March 12, 2024, I served true copies of the foregoing documents described as: **FIRST AMENDED COMPLAINT FOR CIVIL PENALTIES UNDER THE PRIVATE ATTORNEYS GENERAL ACT** on the interested parties in this action, addressed as follows:

Nathan D. Chapman
Kristapor Vartanian
Adria K. Harris

Attorneys for Defendants Heartland Payment Systems, LLC and Global Payments, Inc.

KABAT CHAPMAN & OZMER LLP

333 S. Grand Avenue, Suite 2225

Los Angeles, CA 90071

nchapman@kcozlaw.com

kvartanian@kcozlaw.com

aharris@kcozlaw.com

Labor and Workforce Development Agency

LWDA - Via online submission

<https://dir.govfa.net/314>

() BY U.S. MAIL: The documents were placed in sealed, addressed envelopes on the above date and placed for collection and mailing at my place of business. I am "readily familiar" with the firm's practice of collecting and processing correspondence for mailing. Under that practice, it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Newport Beach, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

(X) BY ELECTRONIC TRANSMISSION: I transmitted a PDF version of this document by electronic mail to the party(s) identified on the above service list using the e-mail address(es) indicated.

(X) (State) I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on March 12, 2024, at Newport Beach, California.

Jordan Carter

Jordan Carter

EXHIBIT 3

Privileged and Confidential - For Mediation Purposes Only

Heartland Payment Systems

PAGA Claims October 5, 2022 through April 30, 2025

Sample (10%) Employee Count - 49

AE Count - 490

Sample Pay Period Count - 1,013

Class List Pay Period Count - 15,910

	Minimum Wage Labor Code §1194 / §1197.1	Overtime Wages Labor Code §1194 / §2699(f)	Meal Break Labor Code §512 / 226.7 2699(f)	Rest Break Labor Code §226.7 / §2699(f)	Unlawful Deductions Labor Code §221 / §225.5 / §2699(f)	Unlawful Comm. Contracts Labor Code §2751 / §2699(f)
Employee Count	245	245	245	245	490	490
First Period Penalty Amount	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Total First Period Penalty	\$24,500.00	\$24,500.00	\$24,500.00	\$24,500.00	\$49,000.00	\$49,000.00
Total Pay Period Count	490	490	490	490	5,550	15,910
Net Pay Period Count	245	245	245	245	5,060	15,420
Subsequent Period Penalty Amount	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Total Subsequent Period Penalty Amt	\$24,500.00	\$24,500.00	\$24,500.00	\$24,500.00	\$506,000.00	\$1,542,000.00
Total Penalty	\$49,000.00	\$49,000.00	\$49,000.00	\$49,000.00	\$555,000.00	\$1,591,000.00

	Pay Stub Labor Code §226 / §226.3	Waiting Time Labor Code §201 / §202 / §203 2699(f)	Unreimbursed Expenses Labor Code §2802 / 2699 (f)	Restricted Employment Agreements Labor Code §232 / §232.5 / §432.5 / §1102.5 / §1197.5 §2699(f)	Grand Total
Employee Count	490	300	490	490	
First Period Penalty Amount	\$250.00	\$100.00	\$100.00	\$100.00	
Total First Period Penalty	\$122,500.00	\$30,000.00	\$49,000.00	\$49,000.00	\$446,500.00
Total Pay Period Count	15,910		15,910	15,910	
Net Pay Period Count	15,420		15,420	15,420	
Subsequent Period Penalty Amount	\$250.00		\$100.00	\$100.00	
Total Subsequent Period Penalty Amt	\$3,855,000.00	\$0.00	\$1,542,000.00	\$1,542,000.00	\$9,085,000.00
Total Penalty	\$3,977,500.00	\$30,000.00	\$1,591,000.00	\$1,591,000.00	\$9,531,500.00

Notes:

- The Minimum Wage, Overtime, Meal Break and Rest Break employee counts take into account that a portion of employees worked their training prior to the PAGA period.

- The Unlawful Deduction calculation is based on the percentage of pay periods with a "True Up" or Sales Bridge deduction - 34.9%

EXHIBIT 4

Selection Criteria

Slip.Slip Type Time
Clie.Selection Include: Furnia v. Heartland (PAGA)

Rate Info - identifies rate source and level

Slip ID	Time	Timekeeper	Units	Rate	Slip Value
Dates and Time		Activity	DNB Time	Rate Info	
Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
47163	TIME	Paralegal	2.30	250.00	575.00
8/14/2023		Interview	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Initial phone interview with client; preparation of intake summary for attorney review; correspondence with client re documents			0.00		
47002	TIME	RES	2.80	850.00	2380.00
8/15/2023		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review and analyze client intake and Heartland comp docs			0.00		
47003	TIME	RES	3.60	850.00	3060.00
8/16/2023		Phone client	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Phone call with client re potential claims and further handling; further review and analysis of client docs and voluminous Heartland commission plan docs			0.00		
47004	TIME	RES	0.70	850.00	595.00
8/18/2023		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review client separation documents			0.00		
47157	TIME	RES	3.20	850.00	2720.00
8/21/2023		Meeting	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Meeting re client intake and retention; further analysis of Heartland voluminous sales policies			0.00		
47158	TIME	RES	3.10	850.00	2635.00
8/28/2023		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Further review and analysis of client docs, including sales policies and non-competition agreement(s); conference re same			0.00		
47164	TIME	Paralegal	1.80	250.00	450.00
10/4/2023		Preparation	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Preparation of draft LWDA Notice; phone call with			0.00		

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Slip ID		Timekeeper	Units	Rate	Slip Value
Dates and Time		Activity	DNB Time	Rate Info	
Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
client re same					
47175	TIME	SCS	2.80	850.00	2380.00
10/4/2023		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review case law re PAGA and commissions; begin preparation of complaint.			0.00		
47159	TIME	RES	4.50	850.00	3825.00
10/5/2023		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review draft PAGA letter; prepare extensive revisions to same; analyze commission claims; legal research re LC 2751; further preparation of PAGA letter			0.00		
47165	TIME	Paralegal	2.40	250.00	600.00
10/5/2023		Preparation	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Preparation of finalized PAGA Notice; phone call with client re same; upload PAGA Notice to LWDA website and serve			0.00		
47184	TIME	RES	2.80	850.00	2380.00
10/6/2023		Legal Research	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Legal Research re right to file PAGA case in court vs arbitration; analyze newer PAGA cases; conference with SCS re preparation of PAGA complaint			0.00		
47389	TIME	SCS	2.50	850.00	2125.00
12/6/2023		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review new case law re PAGA claims.			0.00		
47403	TIME	SCS	2.90	850.00	2465.00
12/12/2023		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review numerous corr re potential claims; analyze strategy for further handling of case; prepare for teleconference with co counsel.			0.00		
47407	TIME	RES	3.10	850.00	2635.00
12/13/2023		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review letter from OPC re demand for arbitration; exchange emails with possible co counsel re same; conduct legal research re right to compel arbitration, public injunctive relief authorities, and PAGA research			0.00		

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Slip ID	Timekeeper	Units	Rate	Slip Value
Dates and Time	Activity	DNB Time	Rate Info	
Posting Status	Client	Est. Time	Bill Status	
Description	Reference	Variance		
47408	RES	2.60	850.00	2210.00
12/14/2023	Meeting	0.00	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Meeting with possible co counsel re working together on speech and anti-competition claims; further legal research re arb issues		0.00		
47418	SCS	1.60	850.00	1360.00
12/20/2023	Review	0.00	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Review arb issues; review documents to prepare amended LWDA letter.		0.00		
47439	SCS	2.50	850.00	2125.00
12/21/2023	Preparation	0.00	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Preparation of amended LWDA letter re speech based claims; conference with RES re same.		0.00		
48709	SCS	2.50	850.00	2125.00
1/9/2024	Preparation	0.00	C@1	
WIP	Furnia v. Heartland (PA	0.00		
Further preparation of Complaint		0.00		
48710	SCS	4.10	850.00	3485.00
1/11/2024	Prep Pleadings	0.00	C@1	
WIP	Furnia v. Heartland (PA	0.00		
Further preparation of Complaint; conference with RES re speech and LC 2751 claims; further legal research re same; Prepare final draft of Complaint		0.00		
47511	Paralegal	0.80	250.00	200.00
1/30/2024	Preparation	0.00	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Preparation of Notice of Court Orders and Case Management Conference		0.00		
47521	SCS	0.40	850.00	340.00
1/31/2024	Review	0.00	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Review court orders re assignment.		0.00		
47614	Paralegal	2.80	250.00	700.00
3/8/2024	Preparation	0.00	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Preparation of draft FAC		0.00		
47607	SCS	1.50	850.00	1275.00
3/11/2024	Review	0.00	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Review draft FAC; revise same; prepare for filing.		0.00		

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Slip ID	Timekeeper	Units	Rate	Slip Value
Dates and Time	Activity	DNB Time	Rate Info	
Posting Status	Client	Est. Time	Bill Status	
Description	Reference	Variance		
47845	TIME	Paralegal	250.00	625.00
7/9/2024	Preparation	0.00	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Preparation of SROGS/RFP Set One to Heartland and Global Payments		0.00		
47870	TIME	Paralegal	250.00	525.00
7/22/2024	Draft	0.00	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Draft Joint Report re NACR		0.00		
47868	TIME	RES	850.00	1445.00
7/25/2024	Preparation	0.00	C@1	
WIP	Furnia v. Heartland (PA	0.00		
Preparation of joint report re NACR; exchange emails with OPC re same		0.00		
47889	TIME	RES	850.00	595.00
7/31/2024	Review	0.00	C@1	
WIP	Furnia v. Heartland (PA	0.00		
Review court postings on Case Anywhere re NACR hearing and attendance; Review file and prepare for hearing		0.00		
47894	TIME	SCS	850.00	680.00
7/31/2024	Review	0.00	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Review numerous corr with OPC and CMC statement.		0.00		
47890	TIME	RES	850.00	850.00
8/1/2024	Court	0.00	C@1	
WIP	Furnia v. Heartland (PA	0.00		
Court Appearance re NACR; prepare Notice of Ruling per Judge Highberger		0.00		
47892	TIME	RES	850.00	1870.00
8/2/2024	Review	0.00	C@1	
WIP	Furnia v. Heartland (PA	0.00		
Review and analyze Def.'s SRogs, RPD,'s Form Rogs General, and Form Rogs Employment, Set One to Plaintiff; prepare email to client re same		0.00		
47893	TIME	SCS	850.00	340.00
8/2/2024	Review	0.00	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Review voluminous discovery served on client.		0.00		
47911	TIME	Paralegal	250.00	125.00
8/2/2024	Correspondence	0.00	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Correspondence to client re discovery propounded		0.00		

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Slip ID		Timekeeper	Units	Rate	Slip Value
Dates and Time		Activity	DNB Time	Rate Info	
Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
by Defendant on 8/1/2024					
47910	TIME	Paralegal	2.50	250.00	625.00
8/6/2024		Draft	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Draft discovery response shells - FROGS General, FROGS Employment Law, RFPs			0.00		
47959	TIME	RES	0.50	850.00	425.00
8/21/2024		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review and exchange emails with OPC re discovery and AE list; phone call with OPC Chapman re same			0.00		
47971	TIME	SCS	0.80	850.00	680.00
8/27/2024		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review corr from OPC re meet and confer.			0.00		
47973	TIME	SCS	1.00	850.00	850.00
8/28/2024		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review further meet and confer re AE list; review file.			0.00		
47974	TIME	SCS	1.10	850.00	935.00
8/29/2024		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review numerous corr re meet and confer re AE list and allegations in pleadings.			0.00		
48030	TIME	Paralegal	4.30	250.00	1075.00
9/16/2024		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review, organize, and digitize box of documents sent by client			0.00		
48039	TIME	SCS	0.80	850.00	680.00
9/18/2024		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review corr from OPC; review protectiv order.			0.00		
48045	TIME	RES	1.50	850.00	1275.00
9/19/2024		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review and analyze PAGA AE list; prepare outline re interview questions for AE's			0.00		
48093	TIME	RES	2.60	850.00	2210.00
9/30/2024		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		

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Slip ID		Timekeeper	Units	Rate	Slip Value
Dates and Time		Activity	DNB Time	Rate Info	
Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
Review and analyze Def's Special Rogs to Plaintiff; prepare draft responses			0.00		
48109	TIME	SCS	2.00	850.00	1700.00
9/30/2024		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review and prepare discovery responses on behalf of client.			0.00		
48110	TIME	SCS	3.50	850.00	2975.00
10/1/2024		Preparation	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Preparation of discovery responses on behalf of client.			0.00		
48111	TIME	SCS	6.00	850.00	5100.00
10/3/2024		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review and prepare discovery responses on behalf of client.			0.00		
48116	TIME	RES	2.80	850.00	2380.00
10/7/2024		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Begin review and analysis of Def's written discovery responses and initial doc production; prepare notes re same			0.00		
48399	TIME	Paralegal	3.80	250.00	950.00
10/7/2024		Telephone call	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Telephone calls to witnesses Bryce A., Claire A., Paige A., Abdul A., Teresa A., Luis A., James A.; intake interviews conducted with Kylie A., Carlos A., and Paul A.; preparation of intake summaries for attorney review; email correspondence with Kylie A., Carlos A., and Paul A. re documents			0.00		
48123	TIME	RES	0.60	850.00	510.00
10/8/2024		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review numerous intakes re potential witnesses			0.00		
48400	TIME	Paralegal	2.10	250.00	525.00
10/9/2024		Telephone call	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Telephone calls to witnesses Eric B., Jasleen B., Henry B., Clayton , Kristine B;; intake interview conducted with Sunni B.; preparation of intake summary for attorney review; email correspondence with Sunni B. re documents			0.00		

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Slip ID	Timekeeper	Units	Rate	Slip Value
Dates and Time	Activity	DNB Time	Rate Info	
Posting Status	Client	Est. Time	Bill Status	
Description	Reference	Variance		
48132	RES	2.30	850.00	1955.00
10/10/2024	Review	0.00	C@1	
WIP	Furnia v. Heartland (PA	0.00		
Further review and analysis of Def.'s written discovery responses and document production		0.00		
48140	SCS	4.00	850.00	3400.00
10/11/2024	Review	0.00	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Review docs to produce to Def as part of Plf production		0.00		
48141	SCS	1.10	850.00	935.00
10/15/2024	Review	0.00	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Further review of voluminous docs to produce as part of Plf production		0.00		
48146	RES	3.10	850.00	2635.00
10/18/2024	Review	0.00	C@1	
WIP	Furnia v. Heartland (PA	0.00		
Review and analyze client's voluminous doc production for redactions/production to OPC; prepare email re same		0.00		
48147	RES	0.80	850.00	680.00
10/21/2024	Review	0.00	C@1	
WIP	Furnia v. Heartland (PA	0.00		
Review and analyze witness intakes/interviews		0.00		
48401	Paralegal	2.30	250.00	575.00
10/21/2024	Telephone call	0.00	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Telephone calls to witnesses Jonathan B. Aldwin B., Daniel B.; intake interview conducted with Shanna B.; preparation of intake summary for attorney review; email correspondence with Shanna B. re documents		0.00		
48402	Paralegal	3.70	250.00	925.00
10/23/2024	Telephone call	0.00	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Telephone calls to witnesses Cesar B., Jordan C., Mrco C., Vanessa C., Matthew C., Alex C., Martin C., Richard C., Amber C., Benjamin C.; intake interviews conducted with William B., Valentin C., and Kevin D.; preparation of intake summaries for attorney review; email correspondence with William B., Valetin C. and Kevin C. . re documents		0.00		

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Slip ID		Timekeeper	Units	Rate	Slip Value
Dates and Time		Activity	DNB Time	Rate Info	
Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
48185	TIME	Paralegal	2.40	250.00	600.00
10/25/2024		Preparation	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Preparation of draft Joint Status Report			0.00		
48186	TIME	RES	0.80	850.00	680.00
10/25/2024		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review and revise draft Joint Status Report			0.00		
48208	TIME	RES	0.20	850.00	170.00
10/25/2024		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review and exchange emails with OPC re depo dates for Plaintiff			0.00		
48403	TIME	Paralegal	1.80	250.00	450.00
10/25/2024		Telephone call	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Telephone call with witnesses Gina D., Sydney D.; conduct intake interview with Dan D.; preparation of intake summary for attorney review; email correspondence with Dan D. re documents			0.00		
48404	TIME	Paralegal	1.70	250.00	425.00
10/28/2024		Telephone call	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Telephone call with witnesses Ozzie D., Stephanie D., Robert D., Jennifer F.; conduct intake interview with Derek F.; preparation of intake summary for attorney review; email correspondence with Derek F. re documents			0.00		
48209	TIME	RES	1.30	850.00	1105.00
11/4/2024		Preparation	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Preparation of email to OPC re depositions; further review of Def.'s doc production re meet and confer re deficiencies			0.00		
48210	TIME	RES	0.30	850.00	255.00
11/5/2024		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review and exchange emails with client re deposition; prepare email to OPC re same;			0.00		
48211	TIME	RES	0.80	850.00	680.00
11/5/2024		Preparation	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Preparation for Status Conference			0.00		

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Posting Status	Client	Est. Time	Bill Status	
Description	Reference	Variance		
48215	RES	0.80	850.00	680.00
11/5/2024	Court	0.00	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Court Appearance re Status Conference; prepare memo re new dates and discovery f/u		0.00		
48217	RES	2.20	850.00	1870.00
11/6/2024	Preparation	0.00	C@1	
WIP	Furnia v. Heartland (PA	0.00		
Preparation of meet and confer email to OPC re Def.'s written responses and doc production re RPD, Set One and SRogs, Set One; further review of discovery and docs re same		0.00		
48405	Paralegal	3.60	250.00	900.00
11/6/2024	Telephone call	0.00	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Telephone call with witnesses Juan F., Danielle F., Scott F., DeRod F., Marcus F., Andy F., Johnny G., Richard G., Abigayle G.; conduct intake interview with Santiago G.; preparation of intake summary for attorney review; email correspondence with Santiago G. re documents		0.00		
48406	Paralegal	1.20	250.00	300.00
11/8/2024	Telephone call	0.00	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Telephone call with witnesses Eddie G., Anthony G., Sean G., Thomas G., Johnny G.		0.00		
48407	Paralegal	2.80	250.00	700.00
11/12/2024	Telephone call	0.00	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Telephone call with witnesses Teresa H., German H., Kelli H., Sarah H., Brandon H.; conduct intake interview with Greg H.; preparation of intake summary for attorney review; email correspondence with Greg H. re documents		0.00		
48246	RES	2.40	850.00	2040.00
11/20/2024	Preparation	0.00	C@1	
WIP	Furnia v. Heartland (PA	0.00		
Preparation of RPD, Set 2 and SRogs, Set Two		0.00		
48408	Paralegal	4.10	250.00	1025.00
12/18/2024	Telephone call	0.00	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Telephone call with witnesses Michael J., Pamela J., Valerie J., Merlin J., Rodney J., Francisca J.; conduct intake interviews with Robin I., Andrew J., Amanda J., and Savana J.; preparation of intake summaries for attorney review; email		0.00		

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Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
correspondence with Robin I., Andrew J., Amanda J., and Savana J. re documents					
48323	TIME	RES	2.10	850.00	1785.00
12/24/2024		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review Def.'s RPD, Set Two; Draft responses to same; prepare email to OPC re meet and confer			0.00		
48409	TIME	Paralegal	3.50	250.00	875.00
1/2/2025		Telephone call	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Telephone call with witnesses Jason J., Melina K., Azzuree K., Abdul K., Stacey K.; conduct intake interviews with Eric K., Samuel K., and Kathleen K.; preparation of intake summaries for attorney review; email correspondence with Eric K., Samuel K., and Kathleen K. re documents			0.00		
48726	TIME	Paralegal	2.50	250.00	625.00
1/3/2025		Telephone call	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Telephone calls to witnesses Keenan K., Eric L, Jared L, John L, Brian L; preparation of intake summaries for attorney review			0.00		
48727	TIME	Paralegal	2.30	250.00	575.00
1/7/2025		Telephone call	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Telephone calls to witnesses Marilyn L, Doug L, Dana L, Jae L; Preparation of intake summaries for attorney review; emails to witnesses Doug L and Jae L re documents			0.00		
48739	TIME	RES	1.90	850.00	1615.00
1/8/2025		Telephone call	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Telephone calls with prospective witnesses/claimants Kathleen K., Gregory H., and Daniel D.; Discuss filing potential arbitrations for wage and hour violations; Analyze witness claims			0.00		
48740	TIME	RES	2.60	850.00	2210.00
1/9/2025		Preparation	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Prepare emails to prospective witnesses/claimants Kathleen K., Gregory H., and Daniel D. re filing potential arbitrations for wage and hour violations; review witness docs and paystubs; exchange emails with OPC re possible new claimants			0.00		

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Dates and Time		Activity	DNB Time	Rate Info	
Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
48728	TIME	Paralegal	2.90	250.00	725.00
1/10/2025		Telephone call	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Telephone calls to witnesses Dana L, Sunny L, Lori L, Albert L, Karen L, Lorene L; preparation of intake summaries for attorney review; emails to witness Lori L re documents			0.00		
48371	TIME	RES	1.00	850.00	850.00
1/15/2025		Telephone call	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Telephone call with opposing counsel NC re discovery issues, Plf deposition, amended complaint, and possible mediation; prepare for phone call			0.00		
48398	TIME	Paralegal	0.60	250.00	150.00
1/20/2025		Draft	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Draft Joint Status Report			0.00		
48741	TIME	RES	0.50	850.00	425.00
1/21/2025		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review draft of Joint Status Report; prepare revisions to same			0.00		
48686	TIME	SCS	1.10	850.00	935.00
1/27/2025		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review corr re mediation scheduling and tolling agreement provisions.			0.00		
48427	TIME	RES	1.10	850.00	935.00
1/28/2025		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review and exchange emails with OPC re mediation; review backgrounds on 4 prospective mediators; exchange third party emails re same;			0.00		
48429	TIME	SCS	0.30	850.00	255.00
1/29/2025		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review proposed mediators; conf with RES re same.			0.00		
48688	TIME	SCS	2.10	850.00	1785.00
2/3/2025		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review proposed data demand for mediation; conference with RES re same.			0.00		

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Dates and Time		Activity	DNB Time	Rate Info	
Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
48452	TIME	RES	2.20	850.00	1870.00
2/4/2025		Preparation	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Preparation of lengthy correspondence to OPC re mediation data demand;			0.00		
48687	TIME	SCS	2.90	850.00	2465.00
2/4/2025		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review defendant discovery responses; documetns.			0.00		
48463	TIME	SCS	2.00	850.00	1700.00
2/6/2025		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review and revise motion to modify.			0.00		
48480	TIME	RES	2.20	850.00	1870.00
2/10/2025		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review and analyze Def.'s supplemental doc production, including employee personnel files			0.00		
48481	TIME	RES	0.60	850.00	510.00
2/12/2025		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.60		
Review and exchange emails with OPC re mediation data demand; phone call with OPC re same			0.00		
48689	TIME	SCS	1.80	850.00	1530.00
2/12/2025		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review proposal re sampling; review comments re mediation data demand.			0.00		
48505	TIME	RES	0.50	850.00	425.00
2/18/2025		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review email from OPC re updated AE list for mediation; prepare email re running random sample of employee ID #s through random.org; review list and prepare response email to OPC;			0.00		
48690	TIME	SCS	0.60	850.00	510.00
2/18/2025		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review sampling data; review web site protocol re same.			0.00		

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Dates and Time		Activity	DNB Time	Rate Info	
Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
48508	TIME	RES	1.10	850.00	935.00
2/19/2025		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review email from OPC re AE list; Exchange emails re clarification of number of AE's; Perform 10% random sample via Random.Org for mediation data collection; exchange further emails re same			0.00		
48691	TIME	SCS	0.60	850.00	510.00
2/19/2025		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review corr re sampling data; review spreadsheet re same.			0.00		
48547	TIME	RES	0.80	850.00	680.00
3/5/2025		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review and exchange emails with expert re mediation data; exchange emails with OPC re same; begin preparation of prelim data for expert analysis			0.00		
48553	TIME	RES	4.70	850.00	3995.00
3/6/2025		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review initial mediation data provided by OPC; Analyze same; Prepare lengthy email to expert re damage calculations for upcoming mediation			0.00		
48693	TIME	SCS	1.10	850.00	935.00
3/6/2025		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review corr to expert re mediation data and preparation of damage analysis.			0.00		
48692	TIME	SCS	2.90	850.00	2465.00
3/7/2025		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review mediation data received from defendant; review numerous documents produced by same.			0.00		
48556	TIME	RES	2.50	850.00	2125.00
3/10/2025		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review email from OPC re production of additional payroll and expense summary reports for mediation; begin review of same; phone conference with OPC re same			0.00		

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Description		Reference	Variance		
48694	TIME	SCS	1.90	850.00	1615.00
3/11/2025		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review additional information and documents received from defendant.			0.00		
48584	TIME	RES	4.30	850.00	3655.00
3/13/2025		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review and analyze claims and theories of liability for mediation brief and preparation; analyze claims and PAGA penalty provisions; conduct extensive research on LC 2751 and right to recover civil penalties; prepare lengthy email to expert re damage model structure and assumptions			0.00		
48695	TIME	SCS	2.80	850.00	2380.00
3/13/2025		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review and analyze LC provisions to prepare mediation brief; conference with RES re strategy for same.			0.00		
48587	TIME	RES	0.30	850.00	255.00
3/14/2025		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review and exchange emails with OPC re conference call re True Up explanation			0.00		
48588	TIME	RES	2.80	850.00	2380.00
3/17/2025		Preparation	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Begin preparation of mediation brief			0.00		
48593	TIME	RES	0.80	850.00	680.00
3/18/2025		Telephone call	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Telephone call with OPC Nathan Chapman re explanation of mediation data; discuss mediation			0.00		
48594	TIME	RES	2.10	850.00	1785.00
3/19/2025		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	2.10		
Further review and analysis of voluminous mediation data; prepare follow up email to OPC Chapman re questions on payroll records, frequency of commission payments, and related expense reimbursement questions			0.00		

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Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
48596	TIME	RES	4.60	850.00	3910.00
3/19/2025		Preparation	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Preparation of mediation brief			0.00		
48599	TIME	RES	0.50	850.00	425.00
3/21/2025		Phone client	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Phone call with damages expert James Toney re PAGA penalty calculations			0.00		
48601	TIME	RES	4.60	850.00	3910.00
3/21/2025		Preparation	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Further preparation of PAGA mediation brief;			0.00		
48604	TIME	RES	2.30	850.00	1955.00
3/24/2025		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review and exchange further emails with OPC re questions on Michael Garcia pay and reimbursement; further preparation of mediation brief; exchange further emails with expert			0.00		
48605	TIME	RES	2.10	850.00	1785.00
3/25/2025		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review and exchange further emails with OPC re dispute re Heartland expense reimbursement policy; analyze payroll records and expense records re 2802 claim			0.00		
48606	TIME	RES	2.00	850.00	1700.00
3/25/2025		Phone client	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Phone call with expert Jim Toney re damage model; review initial draft; exchange multiple emails with expert re same and revisions; review updated model			0.00		
48696	TIME	SCS	2.80	850.00	2380.00
3/25/2025		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review mediation brief draft; prepare revisions to same.			0.00		
48607	TIME	RES	3.30	850.00	2805.00
3/26/2025		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review and further analyze expense reimbursement payroll records and compare to reimbursement spreadsheet provided by OPC;			0.00		

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Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
Prepare revisions to mediation brief incorporating discrepancies and support for LC 2802 claim					
48608	TIME	RES	3.10	850.00	2635.00
3/27/2025		Preparation	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Further and final preparation of lengthy mediation brief; Conduct extensive analysis of sample payroll records and compare to expense reimbursement documents provided by OPC; Prepare email to OPC re mediation and pre-mediation phone call			0.00		
48617	TIME	RES	1.80	850.00	1530.00
3/27/2025		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review and exchange emails with mediator and OPC re reimbursement claim; exchange emails with client re same; telephone call with client re same and in preparation for mediation			0.00		
48697	TIME	SCS	1.10	850.00	935.00
3/27/2025		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review settlement discussions with OPC.			0.00		
48618	TIME	RES	2.20	850.00	1870.00
3/28/2025		Telephone call	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Telephone calls with further employees, Kohler, Hobiera, and DeFord re support for claims in preparation for mediation; begin preparation of further email to OPC re reimbursement claim (non-reimbursement); further preparation for mediation			0.00		
48619	TIME	RES	0.40	850.00	340.00
3/28/2025		Telephone call	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Telephone call with opposing counsel NC re mediation and opening settlement demand			0.00		
48698	TIME	SCS	2.30	850.00	1955.00
3/28/2025		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review brief; review client docs; review defendant discovery responses; conference with RES to prepare for pre mediation call with Judge.			0.00		
48620	TIME	RES	0.80	850.00	680.00
3/30/2025		Preparation	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Preparation of email to OPC re opening settlement			0.00		

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Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
demand; review response email from OPC; phone call with client re same					
48621	TIME	RES	0.50	850.00	425.00
3/31/2025		Telephone call	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Telephone call with mediator Judge Hogue re pre-mediation call			0.00		
48626	TIME	RES	3.40	850.00	2890.00
4/1/2025		Preparation	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Further preparation for mediation, including analysis of research on deduction and reimbursement claims, Gattuso and related 2802 cases; Phone call with employees re same			0.00		
48625	TIME	RES	2.50	850.00	2125.00
4/2/2025		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review email from OPC re dispute over PAGA pay periods for upcoming mediation; phone call and exchange emails with expert re revising PAGA penalty model and re-doing pay period count; analyze updated penalty model; prepare email to mediator re same			0.00		
48627	TIME	RES	5.50	850.00	4675.00
4/2/2025		Preparation	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Further preparation for mediation; phone call with client re same and damage analysis; prepare email to Judge Hogue re underestimate of workweeks; exchange emails with OPC re pay period count and under estimate; exchange emails with expert re same; review update damage/penalty model; further analysis of mediation brief and exhibits to prepare for mediation			0.00		
48699	TIME	SCS	1.50	850.00	1275.00
4/2/2025		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review damage analysis from expert; review updated data and potential exposure.			0.00		
48700	TIME	SCS	6.50	850.00	5525.00
4/3/2025		Mediation	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Attend Mediation;			0.00		

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Dates and Time	Activity	DNB Time	Rate Info	
Posting Status	Client	Est. Time	Bill Status	
Description	Reference	Variance		
48711	TIME	RES	850.00	5525.00
4/3/2025	Mediation	6.50	C@1	
WIP	Furnia v. Heartland (PA	0.00		
Attend Mediation via Zoom		0.00		
48712	TIME	RES	850.00	510.00
4/3/2025	Preparation	0.60	C@1	
WIP	Furnia v. Heartland (PA	0.00		
Preparation of lengthy email to OPC re request to continue negotiations post-mediation and analysis of issues/monetary comp.; review responsive email from OPC re same		0.00		
48636	TIME	RES	850.00	1020.00
4/14/2025	Telephone call	1.20	C@1	
WIP	Furnia v. Heartland (PA	0.00		
Follow up telephone calls with clients re settlement authority and further status update; exchange emails with V. Furnia re same		0.00		
48639	TIME	RES	850.00	1870.00
4/14/2025	Draft	2.20	C@1	
WIP	Furnia v. Heartland (PA	0.00		
Draft MOU for PAGA settlement		0.00		
48702	TIME	SCS	850.00	680.00
4/14/2025	Review	0.80	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Review corr from OPC re settlement negotiatoin.		0.00		
48641	TIME	RES	850.00	425.00
4/15/2025	Review	0.50	C@1	
WIP	Furnia v. Heartland (PA	0.00		
Review and exchange emails with OPC re settlement terms and Kohler PB; phone conference with client re same;		0.00		
48701	TIME	SCS	850.00	2380.00
4/15/2025	Review	2.80	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Review court procedures for settlement documents; review corr with OPC re potential MOU.		0.00		
48648	TIME	RES	850.00	765.00
4/16/2025	Review	0.90	C@1	
WIP	Furnia v. Heartland (PA	0.00		
Review and exchange emails with OPC N. Chapman re negotiating MOU terms; phone call re same; review OPC's revisions to MOU		0.00		

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Slip ID		Timekeeper	Units	Rate	Slip Value
Dates and Time		Activity	DNB Time	Rate Info	
Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
48653	TIME	SCS	1.40	850.00	1190.00
4/16/2025		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review proposed settlement terms; conf with RES.			0.00		
48703	TIME	SCS	1.80	850.00	1530.00
4/18/2025		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review numerous corr re negotiation of terms for MOU.			0.00		
48658	TIME	RES	1.40	850.00	1190.00
4/19/2025		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review and exchange further emails with OPC re MOU terms; prepare further revisions to MOU; exchange emails with client re same			0.00		
48659	TIME	RES	2.30	850.00	1955.00
4/22/2025		Review	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Review and exchange emails re Kohler portfolio buyout; phone calls with employee Kohler re same; analyze Kohler payment docs; incorporate Kohler language into settlement agreement			0.00		
48661	TIME	SCS	1.80	850.00	1530.00
4/22/2025	4/23/2025	Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review term sheet; confirm with RES; review settlement negotiations; review corr with client re same.			0.00		
48665	TIME	RES	1.80	850.00	1530.00
4/23/2025		Preparation	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Begin preparation of long form settlement agreement			0.00		
48666	TIME	RES	3.90	850.00	3315.00
4/24/2025		Preparation	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Further preparation of PAGA Settlement Agreement and exhibits; Exchange emails with OPC Chapman re same			0.00		
48704	TIME	SCS	1.90	850.00	1615.00
4/24/2025		Review	0.00	T@2	
WIP		Furnia v. Heartland (PA	0.00		
Review long form SA; prepare revisions to same.			0.00		

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Slip ID	Timekeeper	Units	Rate	Slip Value
Dates and Time	Activity	DNB Time	Rate Info	
Posting Status	Client	Est. Time	Bill Status	
Description	Reference	Variance		
48672	TIME	RES	850.00	425.00
4/28/2025	Preparation	0.50	C@1	
WIP	Furnia v. Heartland (PA	0.00		
Preparation of email to claims administrator re quote; review quote; phone call with admin Eric Bishop re same (Rust)		0.00		
48705	TIME	SCS	850.00	510.00
4/29/2025	Review	0.60	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Review corr to clients re SA and required documents.		0.00		
48676	TIME	RES	850.00	1870.00
4/30/2025	Review	2.20	C@1	
WIP	Furnia v. Heartland (PA	0.00		
Review and exchange further emails with OPC re settlement; Review OPC revisions to initial settlement draft; Prepare further revisions to second draft SA; Prepare further email to OPC re same		0.00		
48706	TIME	SCS	850.00	1190.00
4/30/2025	Review	1.40	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Review numerous corr re revisions to long form SA; further negotiations re terms and definition of aggrieved employees.		0.00		
48679	TIME	RES	850.00	1785.00
5/1/2025	Review	2.10	C@1	
WIP	Furnia v. Heartland (PA	0.00		
Review and exchange further emails with OPC re revisions to PAGA Settlement Agreement; Review further revisions from OPC; Prepare further revisions to same		0.00		
48685	TIME	SCS	850.00	1190.00
5/2/2025	Review	1.40	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Review draft settlement agreement; prepare redlines to same.		0.00		
48707	TIME	SCS	850.00	510.00
5/2/2025	Review	0.60	T@2	
WIP	Furnia v. Heartland (PA	0.00		
Review further corr re terms of long form SA.		0.00		
48708	TIME	RES	850.00	1275.00
5/2/2025	Review	1.50	C@1	
WIP	Furnia v. Heartland (PA	0.00		
Review and exchange further emails with OPC re		0.00		

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Slip ID		Timekeeper	Units	Rate	Slip Value
Dates and Time		Activity	DNB Time	Rate Info	
Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
revisions to long form SA; Review OPC revisions; prepare further revisions; Telephone call with client re same					
48713	TIME	RES	2.80	850.00	2380.00
5/8/2025		Preparation	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Begin preparation of PAGA Motion for Approval of Settlement			0.00		
48719	TIME	RES	3.10	850.00	2635.00
5/9/2025		Preparation	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Further preparation of PAGA settlement approval motion			0.00		
48729	TIME	RES	4.20	850.00	3570.00
5/13/2025		Preparation	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Further preparation of Motion for PAGA Settlement Approval			0.00		
48732	TIME	RES	4.50	850.00	3825.00
5/15/2025		Preparation	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Further preparation of PAGA settlement approval motion and supporting declarations			0.00		
48733	TIME	RES	6.10	850.00	5185.00
5/19/2025		Preparation	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Further and final preparation of Motion to Approve PAGA Settlement; exchange brief with OPC; exchange emails with OPC; Prepare lengthy Dec of RES in support; prepare exhibits for filing/service			0.00		
48742	TIME	RES	1.80	850.00	1530.00
5/20/2025		Preparation	0.00	C@1	
WIP		Furnia v. Heartland (PA	0.00		
Further preparation of RES Dec ISO PAGA Settlement; Review draft Proposed Order; Finalize motion, dec, and exhibits for filing/service			0.00		
Grand Total					
			Billable		245240.00
			Unbillable		0.00
			Total		245240.00

EXHIBIT 5

Selection Criteria

Slip.Slip Type Expense
Clie.Selection Include: Furnia v. Heartland (PAGA)

Rate Info - identifies rate source and level

Slip ID Dates and Time Posting Status Description		Timekeeper Activity Client Reference	Units DNB Time Est. Time Variance	Rate Rate Info Bill Status	Slip Value
47471 1/16/2024 WIP PAGA Complaint Filing Fees	EXP	JC Filing Fees Furnia v. Heartland (PA	1	1497.05	1497.05
47510 2/1/2024 WIP Notice of Court Orders and Case Management Statement Filing Fees	EXP	JC Filing Fees Furnia v. Heartland (PA	1	19.71	19.71
47541 2/7/2024 WIP Objection to Non-Complex Determination Filing Fees	EXP	JC Filing Fees Furnia v. Heartland (PA	1	19.71	19.71
47546 2/14/2024 WIP Notice and Acknowledgement of Receipt (Heartland & Global) Filing Fees	EXP	JC Filing Fees Furnia v. Heartland (PA	1	19.71	19.71
47551 2/16/2024 WIP Objection to Non-Complex Determination courtesy copy delivery fee	EXP	JC Service Fee Furnia v. Heartland (PA	1	51.48	51.48
47567 2/28/2024 WIP Case Management Statement Filing Fees	EXP	JC Filing Fees Furnia v. Heartland (PA	1	15.39	15.39
47612 3/13/2024 WIP first Amended PAGA Complaint Filing Fees	EXP	JC Filing Fees Furnia v. Heartland (PA	1	19.71	19.71
47828 7/5/2024 WIP System access fee	EXP	JC Case Anywhere Furnia v. Heartland (PA	1	147.12	147.12

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Slip ID		Timekeeper	Units	Rate	Slip Value
Dates and Time		Activity	DNB Time	Rate Info	
Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
Invoice #332905 Billing Period: 4/5/24 - 6/30/24					
47869	EXP	JC	1	19.71	19.71
7/26/2024		Filing Fees			
WIP		Furnia v. Heartland (PA			
Joint Report Re NACR Filing Fees					
47912	EXP	JC	1	19.71	19.71
8/7/2024		Filing Fees			
WIP		Furnia v. Heartland (PA			
Notice of ruling re NACR Filing Fees					
48117	EXP	JC	1	171.00	171.00
10/7/2024		Case Anywhere			
WIP		Furnia v. Heartland (PA			
System Access fee/doc service fee Billing Period 7/1/2024 - 9/30/2024 Invoice No. 344257					
48189	EXP	JC	1	21.37	21.37
10/29/2024		Filing Fees			
WIP		Furnia v. Heartland (PA			
Joint Status Report Filing Fees					
48344	EXP	JC	1	153.00	153.00
1/10/2025		Case Anywhere			
WIP		Furnia v. Heartland (PA			
System Access fees Invoice No. 356061 Billing Period: 10/1/24 - 12/31/24					
48397	EXP	JC	1	23.44	23.44
1/24/2025		Filing Fees			
WIP		Furnia v. Heartland (PA			
Joint Status Report Filing Fees					
48442	EXP	JC	1	10250.00	10250.00
1/31/2025		Mediation			
WIP		Furnia v. Heartland (PA			
Signature Resolution Mediation fees. Invoice No.: PR50019					
48609	EXP	JC	1	140.52	140.52
3/27/2025		Postage			
WIP		Furnia v. Heartland (PA			
FedEx overnight delivery to return client's documents					

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Slip ID		Timekeeper	Units	Rate	Slip Value
Dates and Time		Activity	DNB Time	Rate Info	
Posting Status		Client	Est. Time	Bill Status	
Description		Reference	Variance		
48629	EXP	JC	1	49.00	49.00
4/7/2025		Case Anywhere			
WIP		Furnia v. Heartland (PA			
System Access Fee 3/1/25 - 3/31/25					
48635	EXP	JC	1	3350.00	3350.00
4/14/2025		Expert Fees			
WIP		Furnia v. Heartland (PA			
JTC Invoice No. 250410					
Analysis or payroll records and deductions;					
preparation of PAGA model for class and class reps					
48683	EXP	JC	1	49.00	49.00
5/5/2025		Case Anywhere			
WIP		Furnia v. Heartland (PA			
System Access Fee 4/1/25 - 4/30/25					
Invoice No. 394653					
48718	EXP	RES	1	26.42	26.42
5/15/2025		Service Fee			
WIP		Furnia v. Heartland (PA			
Filing Fee--One Legal; Motion for PAGA					
Settlement Approval					
48717	EXP	RES	1	60.00	60.00
5/16/2025		Filing Fees			
WIP		Furnia v. Heartland (PA			
Filing Fees--Motion for PAGA Settlement Approval					
Grand Total					
		Billable	0.00		16123.05
		Unbillable	0.00		0.00
		Total	0.00		16123.05

EXHIBIT 6



Settlement Administration Estimate
Furnia v Heartland Payment Services
April 28, 2025

Prepared by:
Eric Bishop
Senior Vice President
612-359-2988
ebishop@rustconsulting.com

EXPERIENCE

With experience on approximately 4,000 labor and employment cases, we are the nation's largest labor and employment settlement administrator. We have managed employment settlements with class sizes ranging from dozens to multi-million class members. In fact, we've been trusted to administer many of the nation's largest settlements, including the nation's top wage-and-hour cases in recent years.

DATA SECURITY

Our internal data security practices meet or exceed today's exacting industry standards. Our enterprise-class data security measures are founded on standard business processes including a vigorous employee screening program, ongoing employee security training and a hardened production data center hosted at a Tier 1 network carrier, all designed for ensuring data integrity and security.

DEDICATED SPECIALISTS

Our labor and employment case team is strictly dedicated to managing settlement administration for cases involving matters such as wage-and-hour, FLSA, discrimination and ERISA. They're specialists, not generalists, with an industry reputation for responsiveness and expertise in relevant areas such as the applicable banking and tax regulations. We are confident that Rust is the best choice for the administration of your settlement.

Project Summary

Estimated Individuals	500	
<u>Project Cost</u>		
Mailed Notice & Fund Distribution	\$	2,159
Telephone Support	\$	-
Website	\$	-
Processing and Administration	\$	55
Project Management	\$	2,715
Other Out-of-pocket Expenses	\$	50
Total Project Cost	\$	4,979
	Discount	\$ (500)
Total Project Cost w/ Discount	\$	4,479

Key Assumptions

**Spanish Translation NOT Included
Notice & Checks Sent Together
Post Docs on Rust Static Website
Telephone Support NOT Included
Payments Not Reportable**

Thank you for considering Rust Consulting, Inc. as your administrator -- we appreciate the opportunity to submit this estimate.



Settlement Administration Estimate
Furnia v Heartland Payment Services
April 28, 2025

Prepared by:
Eric Bishop
Senior Vice President
612-359-2988
ebishop@rustconsulting.com

Key Assumptions Used to Prepare this Estimate

Estimated Individuals	500	
Initial Mailed Notice:		
Mailed Notice	500	100.0%
Forwarded Notices	13	2.5%
Undeliverable Notices	50	10.0%
Re-Mailed Notices after Trace	40	80.0%
Telephone Support:		
Number of Telephone Contacts	-	0.0%
Connect Minutes per Call - CSRs	-	
Claimant Communications:		
Correspondence Received	1	0.3%
Payments	500	100.0%

Standard Hourly Rates*

SVP	\$175-\$275
Program Manager	\$160-\$180
Project Manager	\$100-\$140
Technical Consultant	\$110-\$180
Call Center Manager	\$125
CSR	\$ 43-\$ 50
Processor	\$ 43-\$ 50
Other	\$ 43-\$125

**Subject to change*

Additional Administration Assumptions Used to Prepare this Estimate:

Database Development: Receive and Process Database assumes that the data provided is complete with respect to the data components needed to mail and calculate settlement payments. Data that includes multiple records for individuals or work history that needs to be accumulated and totaled by individual generally requires additional efforts to bring to a point where it is final settlement data. These additional efforts can take a significant amount of time and should be considered when setting key settlement dates, especially the mailed notice deadline. Data must be provided in a complete, consistent, standardized electronic format. Rust's standard format is tab delimited text file with field headers, but without text qualifiers. Other formats may be accepted at Rust's discretion. Resources used to enhance or further develop non-standardized data will be billed on a time and materials basis according to Rust's Current Standard Hourly Rates.

CASS/NCOA/LACS: CASS - Coding Accuracy Support System; NCOA - National Change of Address; LACS - Locatable Address Conversion System.

Notice Package: Print and Mail per unit price is estimated. Actual prices will be provided after form is finalized prior to mailing.

Telephone Support not included.

Processing & Administration: Receipt and Process Forms includes open, date stamp, label and data capture a 1-page form with up to five fields.

Project Management: Project Management fees are estimated and will be billed on actual time expended based on the rates found in the Current Standard Hourly Rates section above. The rates included in the estimate are a blended estimate of the rates listed above.

Out of Pocket Expenses: Includes post office box rental, overnight shipments, postage, labels, travel, long distance and other miscellaneous charges and expenses.

Pricing good for 90 days.



Settlement Administration Estimate
Furnia v Heartland Payment Services
April 28, 2025

Prepared by:
Eric Bishop
 Senior Vice President
 612-359-2988
 ebishop@rustconsulting.com

Administrative Task	Estimated Quantity		Per Unit	Task Amount	Total
Database Development					
Receive and Process Database	1.0	Hours @	\$	180	\$ 180
Additional Efforts to Finalize Settlement Data				As Incurred	
Initial Mailed Notice					
CASS / NCOA / LACS Processing				\$ 200	
Spanish Translation				NA	
Print and Mail Notice & Check Package	500	Packages @	\$ 1.10	\$ 550	
Postage - 1 Ounce First Class	500	Packages @	\$ 0.69	\$ 345	
Check Processing	500	Payments @	\$ 0.20	\$ 100	
Monthly Bank Account Fee	6	Months @	\$ 50	\$ 300	\$ 1,495
Follow-up to Initial Notice					
Receive Undeliverable Notices and Update Database	50	Notices @	\$ 0.35	\$ 18	
Address Trace	50	Traces @	\$ 1.50	\$ 75	
Remail Notice & Check Package	53	Notices @	\$ 2.00	\$ 105	
Remail Postage - 1 Ounce First Class	53	Notices @	\$ 0.69	\$ 36	\$ 234
Telephone Support					
Not Included					
Telephone Support	-	Months @	\$ 200	\$ -	
800# Charges	-	Minutes @	\$ 0.12	\$ -	\$ -
Website					
TBD - If Applicable					
Post Docs on a Page within Rust's Static Website	1	Hours @	\$ 125	waived	
Monthly Hosting	6	Months @	\$ 50	waived	\$ -
Processing and Administration					
Receipt, Process, and Validate Correspondence	1	Hours @	\$ 55	\$ 55	
Setup and Monitor Email Account				NA	\$ 55
Additional Administrative Services Requested by Client				As Incurred	
Tax Reporting					
Annual Fee -Qualified Settlement Fund	1	Year @	\$ 250	\$ 250	\$ 250
Project Management					
Senior Vice President	1	Hours @	\$ 200	Waived	
Project Management	12	Hours @	\$ 180	\$ 2,160	
Technical Consulting	3	Hours @	\$ 185	\$ 555	\$ 2,715
Other Charges and Out-of-pocket Costs					
					\$ 50
Total Settlement Administration Estimate					\$ 4,979



Settlement Administration Estimate
Furnia v Heartland Payment Services
April 28, 2025

Prepared by:
Eric Bishop
Senior Vice President
612-359-2988
ebishop@rustconsulting.com

Terms and Conditions

All claims administration services to be provided by Rust Consulting to Customer shall be subject to the following terms and conditions:

1. **Services.** Subject to the terms hereof, Rust Consulting agrees to provide the Customer with claims administration services (hereinafter, "Claims Services") as specified in the Proposal provided to Customer to which these Terms and Conditions are attached.
2. **Term.** The terms of this agreement will remain in effect until completion of the Claims Services, unless earlier terminated in accordance with Section 10 hereof.
3. **Charges for Services.** Charges to the Customer for Claims Services shall be on a time and materials basis at our prevailing rates, as the same may change from time to time. Any fee estimates set forth in the proposal are estimates only, based on information provided by Customer to Rust Consulting. Actual fees charged by Rust Consulting to Customer may be greater or less than such estimate, and Customer shall be responsible for the payment of all such charges and expenses in accordance with Section 4 hereof. Furthermore, Customer will be responsible for payment of all state and local sales and use taxes, if any, levied upon the charges payable by the Customer hereunder. Rust Consulting may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.
4. **Payment of Charges.** Payment by Customer of Rust Consulting's monthly invoices shall be due upon receipt thereof. Amounts unpaid after thirty (30) days are subject to a service charge at the rate of 1.5% per month or, if less, the highest rate permitted by law. Decisions of the court and actions of the parties, including disapproval or withdrawal of a settlement, do not affect the Customer's liability to Rust Consulting for payment of Claims Services. Claims Services are not provided on a contingency fee basis.
5. **Confidentiality.** Rust Consulting agrees to implement and maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Customer data provided to Rust Consulting by Customer in connection herewith. Should Rust Consulting ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Customer, Rust Consulting will promptly notify the Customer, unless prohibited by applicable law. The Customer shall have the option to (1) provide legal representation at the Customer's expense to avoid such access or (2) promptly reimburse Rust Consulting for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If Rust Consulting is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, Rust Consulting will not be liable for breach of said obligation.
6. **Standard Banking Procedures.** In accordance with Rust Consulting's standard banking procedures, Rust Consulting will establish a demand deposit checking account (i.e. non-interest bearing) for funds received related to a distribution, unless directed otherwise in writing by the parties or unless the settlement agreement stipulates otherwise. When directed to invest funds in an interest bearing or investment accounts, Rust Consulting intends to invest all funds in U.S. government backed securities, unless directed by the parties in writing or the settlement agreement or distribution plan to invest in other types of securities; however, even in cases where funds are temporarily placed in interest bearing or investment accounts, funds will eventually be migrated to a demand deposit checking account prior to a fund distribution.
7. **Rights in Data.** Rust Consulting does not convey nor does the Customer obtain any right in the programs, system data, or materials utilized or provided by Rust Consulting in the ordinary course of business in the performance of this Agreement.
8. **Document Retention.** Unless directed otherwise in writing by Customer, Rust Consulting will destroy undeliverable notice mail on the effective date of the settlement or the date that the disposition of the case is no longer subject to appeal or review, whichever is later. Rust will maintain claim forms and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later. Rust Consulting will retain all bank and tax documents for such period of time as it determines is required to maintain compliance with various federal and state requirements.
9. **Limitation of Liability; Disclaimer of Warranty.** Rust Consulting warrants that our services will be performed with reasonable care in a diligent and competent matter. Our sole obligation will be to correct any non-conformance with this warranty. Rust Consulting shall not be liable, whether under theories of contract, negligence or other tort, statutory duty or other theories of liability in an amount exceeding the total charges to the Customer for the specific work affected by the error or omission. Rust Consulting will not be liable for any incidental, special, indirect, consequential or exemplary damages of any kind; or for any lost profits, lost opportunities, business interruption or for any liability incurred by the Customer or others to any third party. THE WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED, IMPLIED, OR STATUTORY, INCLUDING BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR USE FOR PARTICULAR PURPOSE.
10. **Termination.** The Claims Services to be provided under this Agreement may be terminated, at will by the Customer upon at least 30 calendar days' prior written notice to Rust Consulting. The Customer's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. Rust Consulting may terminate this Agreement (i) with 10 calendar days' prior written notice, if the Customer is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Customer.
11. **Notice.** Any notice required or permitted hereunder shall be in writing and shall be delivered personally, by, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of Rust Consulting or the Customer, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.
12. **Force Majeure.** To the extent performance by Rust Consulting of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond Rust Consulting's reasonable control, then such performance shall be excused and this Agreement, at Rust Consulting's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.
13. **Nonwaiver of Rights.** No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in a signed writing.
14. **Jurisdiction.** The parties hereto irrevocably and unconditionally submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding in the Court.
15. **Survival.** All accrued payment obligations hereunder, any remedies for breach of this Agreement, this Section and the following Sections will survive any expiration or termination of this Agreement: Section 7 (Rights in Data); Section 5 (Confidentiality); Section 9 (Limitation of Liability; Disclaimer of Warranty); and Section 14 (Jurisdiction).
16. **Entire Agreement.** These Terms and Conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.

EXHIBIT 7