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Attorneys for Plaintiff, the Putative Class, and the Aggrieved Employees

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MADERA

MARTHA SANCHEZ PADILLA, an
individual, on behalf of herself, the State of
California, as a private attorney general, and
on behalf of all others similarly situated,

Plaintiff,

v.

CENTRAL IRRIGATION, INC., a
California corporation; and DOES 1 TO 50,

Defendants.

Case No. MCV090815

**DECLARATION OF JONATHAN MELMED IN
SUPPORT OF PLAINTIFF'S MOTION FOR
ORDER GRANTING PRELIMINARY APPROVAL
OF CLASS ACTION SETTLEMENT**

Date: April 24, 2025

Time: 8:30 A.M.

Dept: 44

Judge: Hon. Brian W. Enos

Complaint Filed: November 29, 2023

First Amended Complaint Filed: July 8, 2024

Trial Date: None Set

1 I, Jonathan Melmed declare as follows:

2 1. I am an attorney licensed to practice law before this Court and the federal and state courts
3 of California. I am over 18 years of age. I have personal knowledge of the facts set forth in this
4 declaration and if called upon to testify, could and would testify competently thereto.

5 2. I am a founding shareholder in the law firm of Melmed Law Group P.C. My office
6 (“Class Counsel”) is attorney of record for Plaintiff Martha Sanchez Padilla (“Plaintiff” or “Class
7 Representative”) and the proposed settlement class (the “Class”) in the above-captioned matter.

8 The Parties and the Putative Class

9 3. After engaging in substantial independent investigation, a full-day mediation session
10 before experienced wage and hour mediator Steven J. Serratore, and hard-fought negotiations, Plaintiff
11 and defendant Central Irrigation, Inc. (“Defendant”) (collectively, the “Parties”) have entered into a
12 Settlement Agreement and Release of Class Action (the “Settlement Agreement”) resolving the claims
13 of the putative Class. The Settlement Agreement seeks to fully release and discharge Defendant from the
14 claims brought against it in this matter. The Settlement Agreement contemplates a non-reversionary
15 Gross Settlement Amount of \$205,000.00 (“Gross Settlement Amount”) to the Settlement Class of 190
16 individuals who are or were non-exempt employees who worked for Defendant in the State of California
17 from November 29, 2019, through May 30, 2024. The Gross Settlement Amount is inclusive of
18 individual settlement amounts to settlement class members, attorneys’ fees and costs, settlement
19 administrative expenses, and the Class Representative Payment to the named Plaintiff to be approved by
20 the Court. A true and correct copy of the Settlement Agreement is attached hereto as **Exhibit A**. The
21 proposed Class Notice and the Share Form are attached as **Exhibits 1 and 2**, respectively, to the
22 Settlement Agreement. The Settlement Agreement, in its entirety, is incorporated herein by reference.

23 4. I have no knowledge of the existence of any conflicting interests between my firm and
24 any of its attorneys, on the one hand, and Plaintiff or any other Class Member, on the other.

25 5. Plaintiff Martha Sanchez Padilla was employed with Defendant as an hourly paid, non-
26 exempt employee.

27 6. Plaintiff now seeks preliminary approval of this settlement for the following Settlement
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Class defined as: *all individuals who are or were employed by Defendant(s) as non-exempt employees in California during the Class Period.* (“Class” or “Settlement Class”).

7. According to information supplied by defense counsel, the putative Class here consists of 190 Class Members.

Procedural History, Discovery, and Mediation

8. On November 29, 2023, Plaintiff gave notice to the LWDA and Defendant of her claims for Defendant’s violations of Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 256, 510, 512, 1174, 1174.5, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802, 2804 and the IWC Wage Order No. 14 under the Private Attorney General Act (“PAGA”). A true and correct copy of the PAGA notice is attached herein as **Exhibit B**.

9. On the same day, Plaintiff filed her class action complaint against Defendant alleging causes of action for: (1) failure to pay all minimum wages; (2) failure to pay all overtime wages; (3) failure to provide rest periods and pay missed rest period premiums; (4) failure to provide meal periods and pay missed meal period premiums; (5) failure to maintain accurate employment records; (6) failure to pay wages timely during employment; (7) failure to pay all wages earned and unpaid at separation; (8) failure to indemnify and pay all necessary business expenditures; (9) failure to furnish accurate itemized wage statements; and (10) violations of California’s Unfair Competition Law.

10. On July 8, 2024, Plaintiff filed a First Amended Complaint adding a cause of action for civil penalties under the PAGA based on the foregoing.

11. On March 20, 2025, Plaintiff filed a Supplemental PAGA Notice with the LWDA alleging Defendant violated Labor Code section 246, and IWC Wage Order No. 7. A true and correct copy of the Supplemental PAGA notice is attached herein as **Exhibit C**.

12. On March 31, 2025, as part of the settlement terms, Plaintiff filed a Motion for Leave to File a Second Amended Complaint to include a claim for Defendant’s alleged failure to pay sick leave, and alleged violation of the IWC Wage Order No. 7.

13. Plaintiff’s counsel, Melmed Law Group, P.C. (“Class Counsel”) has conducted sufficient informal discovery, investigation, and exercised due diligence in the prosecution of the Action. This

informal discovery, investigation, and prosecution has included, among other things, (a) numerous telephonic conferences with Plaintiff; (b) inspection and analysis of documents and other information produced by Plaintiff and/or Defendant; (c) analysis of the legal positions and defenses taken by Defendant; (d) investigation into the viability of class treatment and representative nature of the claims asserted in the Action; (e) analysis of potential class-wide damages, including information sufficient to understand Defendant's respective potential defenses to Plaintiff's claims; (f) research of the applicable law with respect to the claims asserted in the Complaint and the potential defenses thereto; and (g) assembling and analyzing of data for calculating damages.

14. The Class Representative has vigorously prosecuted this case, and Defendant has vigorously contested it. The Parties engaged in sufficient investigation and discovery to assess the relative merits of the claims of the Class and of Defendant's defenses to them.

15. In consideration thereof, and in advance of sinking substantial costs into further contested proceedings, the Parties attended private mediation before experienced employment law neutral Steven J. Serratore on August 27, 2024. During mediation, the Parties exchanged further information and discussed all aspects of the case, including the risks and delays posed by additional litigation, the risks to both Parties for proceeding with a motion for class certification, along with the evolving legal landscape and evidentiary challenges to establishing respective claims and defenses. These were contentious issues because of the factual and legal complexity of the case. However, the Parties reached a settlement at mediation.

16. The settlement negotiations were hard-fought and conducted in good faith and at arm's length between attorneys with substantial experience litigating class action and wage-and-hour cases. The settlement was the product of a non-collusive settlement process in which the Parties were forced to make significant compromises in the interest of reaching a full and complete settlement of the action. The final settlement amount was reached as a result of reasonable compromises in light of these considerations. The Parties entered into a long form Settlement Agreement which is now presented for Court approval.

17. From Class Counsel's review of the facts, strengths, and weaknesses of the case, the risks

1 and delays posed by further litigation, and Class Counsel's own prior litigation experience, Class
2 Counsel believe that the recovery for each Settlement Class Member is fair and reasonable taking into
3 consideration the amounts received in other wage and hour class actions, the risks inherent in litigation
4 of this genre, and the reasonable tailoring of each Settlement Class Member's claims to the settlement
5 award he or she will receive.

6 18. To my knowledge, there are no other actions, whether in the pre-filing LWDA stage, or
7 pending in court, that may be affected by this settlement.

8 Summary of the Parties' Claims and Defenses

9 19. In the operative complaint, Plaintiff, individually and on behalf of the putative Class
10 alleges causes of actions for: **(1)** failure to pay minimum wage (Labor Code §§ 1194, 1194.2, 1197); **(2)**
11 failure to pay overtime wages (Labor Code §§ 510); **(3)** failure to provide rest periods and pay missed
12 rest period premiums (Labor Code § 226.7); **(4)** failure to provide meal periods and pay missed meal
13 period premiums (Labor Code §§ 226.7 and 512) **(5)** failure to maintain accurate employment records
14 (Labor Code § 1174); **(6)** failure to pay wages timely during employment (Labor Code §§ 204 and 210)
15 **(7)** failure to pay all wages earned and unpaid at separation (Labor Code §§ 201-203); **(8)** failure to
16 indemnify and pay all necessary business expenditures (Labor Code § 2802); **(9)** failure to provide
17 complete and accurate wage statements (Labor Code § 226); **(10)** failure to pay sick leave (Labor Code
18 § 246); **(11)** unfair business practices based on the foregoing (Business & Professions Code § 17200 *et*
19 *seq.*); and **(12)** PAGA civil penalties based on the foregoing.

20 20. Labor Code sections 1197 states the California requirement that employees must be paid
21 at least the minimum wage fixed by the Commission, and any payment of less than the minimum wage
22 is unlawful. Similarly, Labor Code section 1194 entitles "any employee receiving less than the legal
23 minimum wage . . . to recover in a civil action the unpaid balance of the full amount of this minimum
24 wage." Further, the IWC Wage Order obligates employers to pay each employee minimum wages for all
25 hours worked.

26 21. These minimum wage standards apply to each hour employees worked for which they
27 were not paid. Therefore, an employer's failure to pay for any particular hour of time worked by an
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1 employee is unlawful, even if averaging an employee's total pay over all hours worked, paid or not,
2 results in an average hourly wage above minimum wage. *Armenta v. Osmose, Inc.* (2005) 135
3 Cal.App.4th 314, 324.

4 22. Here, Plaintiff alleged that Defendant failed to pay the Class Members minimum wages
5 for all hours worked. Specifically, Plaintiff alleged she was regularly required to conduct pre- and post-
6 shift duties off the clock. These duties included turning off the sensors and alarms and opening all four
7 gates at the beginning of each shift prior to clocking in and turning on all sensors and alarms and locking
8 all gates after clocking out at the end of her shift. These tasks were essential to Plaintiff's and the Class
9 Members' work duties and directly benefitted Defendant. However, Plaintiff alleged she and the Class
10 Members were not compensated for this required work time.

11 23. Plaintiff also alleged that when she and the Class Members were provided meal periods,
12 they were on-duty and interrupted. For example, Plaintiff alleged that her supervisor frequently asked
13 her to clock out for her meal period and continue working to answer questions from customers and other
14 employees.

15 24. Finally, Plaintiff alleged that her supervisors regularly sent her text messages asking
16 work-related questions on Sundays when so was not scheduled to work and was off the clock. Therefore,
17 Plaintiff alleged that she and the Class Members were not paid for all hours suffered or permitted to
18 work.

19 25. Labor Code section 510 states, "[e]ight hours of labor constitutes a day's work. Any work
20 in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and
21 the first eight hours worked on the seventh day of work in any one workweek shall be compensated at
22 the rate of no less than one and one-half times the regular rate of pay for an employee. Any work in
23 excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of
24 pay for an employee."

25 26. For the reasons stated above, Plaintiff alleged that she and the Class Members worked
26 certain hours for which they were not paid. Because Plaintiff and the Class Members spent eight hours
27 or more working on "compensated" time, this uncompensated time should have been compensated at the
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1 overtime rate. Instead, no compensation was paid at all to Plaintiff and the Class Members.

2 27. Further, Plaintiff alleged that when Defendant has paid overtime wages, they were not
3 paid at the proper rate to the Class Members. For example, Plaintiff alleged that she and the Class
4 Members were paid base hourly wages plus additional compensation for various bonuses. Plaintiff
5 alleged that these additional payments, part commission, part piece-rate compensation, part non-
6 discretionary bonus, represent and represented a significant portion of the Class Members' regular rate
7 of pay. Regardless, Plaintiff alleged that she and the Class Members only received overtime
8 compensation based on their base hourly wage and not based on their regular rate of pay. As a result,
9 Plaintiff alleged that Defendant did not take this compensation into consideration when calculating the
10 regular rate of pay used in overtime calculations.

11 28. Under California Labor Code section 512 and the IWC Wage Order, no employer shall
12 employ any person for a work period of more than five (5) hours without providing a meal period of not
13 less than thirty (30) minutes. During this meal period of not less than thirty (30) minutes, the employer is
14 to be completely free of the employer's control and must not perform any work for the employer. If the
15 employee does perform work for the employer during the thirty (30) minute meal period, the employee
16 has not been provided a meal period in accordance with the law. Also, the employee is to be
17 compensated for any work performed during the thirty (30) minute meal period. Finally, an employer
18 may not employ an employee for a work period of more than ten (10) hours a day without providing the
19 employee with another meal period of not less than thirty (30) minutes.

20 29. Plaintiff alleged that, due to the demands of the job, Defendant frequently required the
21 Class Members to clock out for their meal periods and continue working off the clock, or forego their
22 meal periods entirely. Thus, Plaintiff alleged that these practices deprived the Class Members from
23 uninterrupted and off-duty meal periods required by law.

24 30. In addition to failing to provide compliant meal periods, Plaintiff alleged that she and the
25 Class Members were not compensated with one (1) hour's-worth of pay at their regular rate of
26 compensation when they were not provided with a compliant meal period in accordance with Labor
27 Code section 226.7(b).

1 31. Pursuant to Labor Code section 226.7, and the applicable IWC Wage Order, Plaintiff
2 alleged that Defendant failed to provide Plaintiff and the Class members with compensated, duty-free
3 rest periods of not less than ten (10) minutes for every major fraction of four hours worked.

4 32. The IWC Wage Order states in pertinent part: “Every employer shall authorize and
5 permit all employees to take rest periods, which insofar as practicable shall be in the middle of each
6 work period. The authorized rest period time shall be based on the total hours worked daily at the rate of
7 ten (10) minutes net rest time per four (4) hours or major fraction thereof.”

8 33. Here, Plaintiff alleged that Defendant failed to authorize or permit the Class Members to
9 take duty-free rest periods of not less than ten (10) minutes for every major fraction of four (4) hours
10 worked. Specifically, Plaintiff alleged that she and the Class Members were regularly interrupted during
11 their rest periods by their supervisors. Thus, Plaintiff alleged that she and the Class Members were not
12 authorized or permitted to take compliant rest periods at any time during their employment with
13 Defendant.

14 34. In addition to failing to authorize and permit compliant rest periods, Plaintiff alleged that
15 she and the Class Members were not compensated with one (1) hour’s-worth of pay at their regular rate
16 of compensation when they were not provided with a compliant rest period in accordance with Labor
17 Code section 226.7(b).

18 35. Labor Code section 226(e) provides that an employee is entitled to recover \$50 for initial
19 day period in which a violation of Labor Code section 226 occurs and \$100 for each subsequent pay
20 period, not to exceed \$4,000.00, as well as an award of costs and reasonable attorneys’ fees, for all such
21 pay periods.

22 36. Pursuant to Labor Code section 226(e), an employee suffering injury as a result of a
23 knowing and intentional failure by an employer to comply with Labor Code section 226(a) is entitled to
24 recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a
25 violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay
26 period, not exceeding an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award
27 of costs and reasonable attorney's fees.”
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1 37. Plaintiff argued that due to Defendant's failure to provide Plaintiff and the Class
2 Members with lawful off-duty meal and rest periods and/or pay meal and rest period premiums, and
3 failure to pay minimum and overtime wages, the wage statements issued by Defendant do not indicate
4 the correct amount of gross wages earned, total hours worked, net wages earned, or the applicable
5 hourly rates in effect during the pay period and the corresponding number of hours worked at each
6 hourly rate in violation of Labor Code sections 226(a)(1), (2), (5) and (9).

7 38. Labor Code section 226(a) requires employers to keep an accurate record of, among other
8 things, all hours worked by employees. Plaintiff alleged that Defendant failed to provide Plaintiff and
9 the Class Members with accurate, itemized wage statements. Defendant did so in part because they
10 failed to accurately track all hours worked by Plaintiff and the Class Members. The failure to track all
11 hours worked also resulted in a failure of Defendant to keep a record of all "payroll records showing the
12 hours worked daily by" Defendant's employees, including Plaintiff and the Class Members, in violation
13 of Labor Code section 1174(d).

14 39. Sections 201-203 of the Labor Code provides that former employees must be paid all
15 wages due on termination of employment. If departing employees do not receive all wages due, then
16 they can recover penalties up to thirty days' worth of wages against their former employer.

17 40. Here, Plaintiff alleged that, due to Defendant's faulty policies described above, Plaintiff
18 and the Class Members whose employment with Defendant concluded were not compensated for each
19 and every hour worked or at the appropriate rate.

20 41. Additionally, Plaintiff alleged that Defendant has failed to pay all Class Members for
21 meal and rest period premiums and all unpaid minimum and overtime wages, whose sums were certain,
22 at the time of termination or within seventy-two (72) hours of their resignation and have failed to pay
23 those sums for thirty (30) days thereafter.

24 42. Labor Code section 204 expressly requires employers who pay employees on a weekly,
25 bi-weekly, or semi-monthly basis to pay all wages "not more than seven calendar days following the
26 close of the payroll period. Plaintiff argued that, due to Defendant's failure to pay Plaintiff and the Class
27 Members all wages, as described herein, along with rest and meal break premiums, Defendant failed to
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1 timely pay Plaintiff and the Class Members within seven (7) calendar days following the close of payroll
2 in accordance with Labor Code section 204 on a regular and consistent basis.

3 43. Labor Code section 2802 provides that “an employer shall indemnify his or her
4 employees for all necessary expenditures or losses incurred by the employee in direct consequence of
5 the discharge of his or her duties, or of his or her obedience to the directions of the employer. The
6 purpose of this section is to “prevent employers from passing along their operating expenses onto their
7 employees.” (*Gattuso v. Harte-Hanks Shoppers, Inc.* (2007) 42 Cal.4th 554, 562.) The duty to reimburse
8 extends to the use of equipment the employee may already own and would be required to pay for
9 anyway. (*Cochran v. Schwan's Home Service, Inc.* (2014) 228 Cal.App.4th 1137, 1144 [employer must
10 reimburse an employee for the reasonable expense of the mandatory use of a personal cell phone].)

11 44. Importantly, an employer may not simply place the burden on employees to request
12 reimbursement for their expenses. Employers have a “duty to exercise due diligence and take any and all
13 reasonable steps to ensure that the employee is paid” for their reimbursable expenses. (*Stuart v.*
14 *RadioShack Corp.* (N.D. Cal. 2009) 641 F.Supp.2d 901, 904.) This duty creates an obligation on the part
15 of employers to determine the scope and extent of reimbursable expenses when the employer has reason
16 to know that such expenses are being incurred.

17 45. Here, Plaintiff alleged that she and the Class Members used their personal cell phones for
18 necessary work-related purposes to perform their job duties with the knowledge of and/or acquiescence
19 of Defendant. Specifically, Plaintiff argued that Defendant requires the Class Members maintain contact
20 with their supervisors to obtain work assignments. Plaintiff alleged that Defendant unlawfully requires
21 the Class Members to shoulder the cost associated with business use of their personal cell phones and
22 personal devices.

23 46. Labor Code section 246 provides that every employee who works in California for the
24 same employer for 30 or more days within a year from the commencement of employment is entitled to
25 paid sick days. These paid sick days generally accrue at a rate of not less than one hour per every 30
26 hours worked, and must be paid out using the employees’ regular rate of pay. The “regular rate of pay”
27 for these purposes must factor in all nondiscretionary payments for work performed by the employee,
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1 including non-discretionary bonuses, commissions, and other forms of wage payments exceeding the
2 employees' base hourly rate. see, e.g., *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858,
3 878.

4 47. As set forth above, Plaintiff alleged that Defendant employed the Class Members for 30
5 or more days within a year from the commencement of employment. Plaintiff alleged that Defendant
6 nevertheless failed to fully pay the Class Members for all sick pay that was lawfully earned and accrued.
7 By failing to fully pay accrued sick time, Plaintiff alleged that Defendant has underpaid the Class
8 Members and have violated California Labor Code provisions including, but not limited to, section 246.

9 48. Plaintiff contended that by committing the above-described Labor Code violations,
10 Defendant engaged in unlawful, unfair, and/or fraudulent business practices in violation of California
11 Business and Professions Code sections 17200-17204 and is liable for restitution to the Plaintiff and the
12 Class. Moreover, this cause of action lengthens the statute of limitations of the Class' claims to four
13 years preceding the filing of the Complaint.

14 49. The Private Attorney General Act of 2004 ("PAGA" - Labor Code §§ 2699-2699.5)
15 allows an aggrieved employee to bring suit against an employer for violations of most Labor Code
16 provisions. Suits brought under PAGA do not affect the employee's right to recover other remedies
17 under state or federal law. See Labor Code § 2699(g); *Caliber Bodyworks, Inc. v. Superior Court* (2005)
18 134 Cal. App. 4th 365, 375. Wherever the Labor Code gives the Labor and Workforce Development
19 Agency discretion to assess a civil penalty, a court is authorized to exercise the same discretion. Labor
20 Code § 2699(e)(1). The statute of limitations for PAGA suits is one year. An employee who prevails in
21 an action brought under PAGA is entitled to an award of reasonable attorney's fees and costs. The
22 penalties available under PAGA are those provided in the underlying Labor Code provision that is
23 violated or, if no penalty is listed, those provided by PAGA itself. Where the Labor Code does not
24 provide for a penalty, PAGA establishes a civil penalty of \$100 for each aggrieved employee per pay
25 period for the initial violation and \$200 for each aggrieved employee per pay period for each subsequent
26 violation. Labor Code § 2699(f). For any civil penalties collected under PAGA, seventy-five percent of
27 the penalties are distributed to the LWDA for enforcement and education, and twenty-five percent is
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distributed to the aggrieved employees.

50. Plaintiff alleged that by virtue of each of Defendant's foregoing Labor Code violations, Plaintiff and the Class are, in addition to other remedies, entitled to civil penalties under PAGA. This cause of action opens Defendant to additional penalties for the Labor Code violations, in additions to attorneys' fees and costs.

51. Defendant denied and continues to deny generally the claims and contentions alleged in the Complaint. Defendant also denies all material allegations in the Complaint.

52. *First*, Defendant argued that all its employees are authorized and permitted to take legally compliant meal periods and are required to document meal periods on their timecards. Defendant argued that each individual employee is responsible for personally clocking in and out to ensure accurate documentation of time worked and meal periods.

Defendant argued that although it emphasizes to employees the importance of taking complete and uninterrupted meal periods of a minimum of 30 minutes before the end of the 5th and 10th hour worked, its operation allows employees the flexibility to take meal periods when the employees chose to do so, especially given the fact that nearly all of its employees do not work under close supervision by a management-level employee. Defendant argued that it ensures its employees are provided with a clear explanation regarding meal period timing requirements in its Handbook, Policies, Waivers and Acknowledgement Forms during training that occurs when employees start working with Defendant, and during regular training sessions and meetings. Defendant argued that the fact that its employees are in no way prohibited or even discouraged from taking legally compliant meal periods, in particular, is unequivocally established by varying start times for the employees' meal periods shown on the sample timecards. While the Defendant argued that its expert analysis showed that there may be a pay periods where there was a potential meal period violation reflected on the timecards and the corresponding wage statements did not show a meal period premium was paid, its diligent efforts to comply with the law must be recognized, and must result in an extremely significant reduction in the settlement value of this case.

1 Additionally, Defendant argued if its employees were asked to testify about its meal period
2 policy and the reason their timecards may reflect meal periods that start after the 5th hour worked, they
3 would all testify that they know they are required to start meal periods before the end of the 5th hour
4 worked, that they actually make the personal decision regarding when to take their meal periods without,
5 that they do not believe they were ever forced to take a non-compliant meal period, and that they are not
6 entitled to meal period premiums because an non-compliant meal period premium reflected on any
7 timecard was not the result of its operational needs.

8 Defendant also argued that it is important to recognize the fact that due to the nature of its
9 operation, employees are encouraged to stop working for their meal periods, as there are no production
10 or timing requirements that interfere with any employee's ability to determine the timing and length of
11 their meal periods. As we analyze the very rare circumstances in which a potential meal period premium
12 issue may be asserted, we must reasonably apply the governing standard described in *Brinker*
13 *Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1040-1041: "Proof an employer had
14 knowledge of employees working through meal periods will not alone subject the employer to liability
15 for premium pay; employees cannot manipulate the flexibility granted them by employers to use their
16 breaks as they see fit to generate such liability . . . An employer's duty with respect to meal breaks...is
17 an obligation to provide a meal period to its employees. The employer satisfies this obligation if it
18 relieves its employees of all duty, relinquishes control over their activities and permits them a reasonable
19 opportunity to take an uninterrupted 30-minute meal break, and does not impede or discourage them
20 from doing so...the employer is not obligated to police meal breaks and ensure no work thereafter is
21 performed. Bona fide relief from duty and the relinquishing of control satisfies the employer's
22 obligations, and work by a relieved employee during a meal break does not thereby place the employer
23 in violation of its obligations and create liability for premium pay"

24 *Donahue v. AMN Services, LLC* (2021) 11 Cal.5th 58, 76-78, reiterated these principles as
25 follows: "An employer is liable only if it does not provide an employee with the opportunity to take a
26 compliant meal period. The employer is not liable if the employee chooses to take a short or delayed
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1 meal period or no meal period at all. The employer is not required to police meal breaks to make sure no
2 work is performed.” (emphasis added).

3 Defendant argued that even assuming that any employees could actually prove they are entitled
4 to some meal period premiums, its expert analysis figures contain unattainable stacked penalties.
5 Defendant argued it should not be required to pay exorbitant (and stacked) penalties, which are intended
6 to punish employers who knowingly violate the law since all its employees personally clock in and out
7 for meal periods on their own and all employees are in complete control over when they take meal
8 periods and the duration of each meal period.

9 53. **Second**, Defendant argued that although its employees do not document rest periods on
10 their timecards, which is typical of most employers, employees are advised of their right and obligation
11 to take legally compliant rest periods in its Employee Handbook, Policies, Waivers and
12 Acknowledgement Forms and during training. Furthermore, Defendant argued that rest periods are not
13 required by Labor Code §226.7, nor the Wage Orders, to be documented on timecards. To the contrary,
14 each relevant Wage Order explicitly states: “Meal periods during which operations cease and authorized
15 rest periods need not be recorded.” (emphasis added). Many, if not most, employers do not document
16 the start and stop times of rest periods because they are treated as time worked, for which employees
17 must be paid. Labor Code §226.7(d). Accordingly, Defendant argued no exposure should be allocated
18 to the rest period claim.

19 54. **Third**, Defendant argued that Plaintiff’s claim for unreimbursed business expenses for
20 cell phone use is easily disproven, as any employees that is ever required to use a personal cell phones
21 for any work-related purpose is given a cell phone stipend. Defendant argued that Plaintiff, like most
22 other employees, and certainly all Store Clerks, was not required to use a personal cell phone for any
23 work-related purpose, as there was already a land line available for employees to use.

24 55. **Fourth**, Defendant argued that PAGA penalties would be limited. Defendant argued that
25 even if Plaintiff prevailed, the recoverable penalties under PAGA are minimal. First, courts to consider
26 the issue have refused to “stack” PAGA penalties. *See Carrington v. Starbucks Corporation* (Cal. Ct.
27 App. Nov. 27, 2018) No. D072392 (published Dec. 19, 2018) (approving PAGA penalty reduction to \$5
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per pay period); accord *Atempa v. Pedrazzani* (2018) 27 Cal.App.5th 809. Moreover, Defendant argued that Plaintiff is not entitled to recover PAGA penalties at the subsequent violation rate of \$200 per pay period. California's appellate courts have held that "[u]ntil the employer has been notified that it is violating a Labor Code provision (whether or not the commissioner or court chooses to impose penalties), the employer cannot be presumed to be aware [of the violation]" and therefore, until a Court or the Commissioner issues a finding of a violation, the initial \$100 violation rate applies for each pay period in which the alleged violation occurred. *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1209; accord *Amalgamated Transit Union Local 1309 v. Laidlaw Transit Service, Inc.* (S.D. Cal. Aug. 10, 2009) 2009 WL 2448430, at *9 ("[u]nder California law, courts have held that employers are not subject to heightened penalties for subsequent violations unless and until a court or commissioner notifies the employer that it is in violation of the Labor Code"). Thus, Defendant argued that even if the Plaintiff was able to establish any violation of the Labor Code, the PAGA penalties assessed for these violations will be computed at the \$100 rate, as opposed to the \$100 per pay period rate at maximum, and there is a likelihood that a further reduction of the penalty to \$5 per pay period as approved in *Carrington* would apply given Defendant's compliance with the Labor Code as discussed above. Defendant further argued that even if Plaintiff was able to recover some PAGA penalties on behalf of other aggrieved employees, courts frequently use their discretion under Section 2699(e)(2) to significantly reduce PAGA penalties where such penalties would be unjust, arbitrary and improper. *See, e.g., Stuart v. RadioShack Corp.* (N.D. Cal. 2009) 641 F. Supp. 2d 901, 902–03; *Hernandez v. BCI Coca-Cola Bottling Co.* (C.D. Cal. Apr. 12, 2012) 2012 WL 12272348, at *2, *judgment entered*, 2012 WL 12092593 (C.D. Cal. May 9, 2012), and *aff'd*, 554 F. App'x 661 (9th Cir. 2014). Defendant maintains that given their good faith attempts to comply with the Labor Code, and *de minimis* defenses, this Court would exercise its discretion to substantially reduce any PAGA penalties if it were to find Defendant liable for any of Plaintiff's claims. *See* Labor Code §§ 203, 2699(e)(2); *Thurman v. Bayshore Transit Mgmt., Inc.* (2012) 203 Cal.App.4th 1112, 1135 (affirming reduction of PAGA penalties for wage statement violations from \$2,800,000 to \$500,000, because "the aggrieved employees suffered no injury" as a result of the violations, the defendants "were not aware" their wage statements violated the

law, and the defendants “took prompt steps to correct all violations once notified.”); *Fleming v. Covidien, Inc.* (C.D. Cal. Aug. 12, 2011, No. (OPX)) 2011 WL 7563047, at *4 (reducing PAGA penalties from \$2.8 million to \$500,000).

56. ***Fifth***, Defendant asserted that any violations of the Labor Code were unintentional, and that Plaintiff would have difficulty proving willfulness or intentionality for penalty purposes, including claims for civil penalties under PAGA and claims for waiting time penalties. Defendant further argued that Plaintiff would be unable to prove “injury” for purposes of recovering penalties under Labor Code 226(e).

57. In considering these significant risks and others, as well as the time, expense and cost of litigation, trial and appeals, the Parties agreed that Settlement was appropriate, and that the Settlement here is fair and reasonable.

58. The estimated 190 Class Members will enjoy substantial monetary recovery amounting to an average recovery per class member of approximately \$364.04 net, and an approximate maximum recovery of \$910.09 net.

Unpaid Minimum Wages

Plaintiff estimates 15 minutes of unpaid time for pre and post shift work per workday. When multiplied by the average hourly rate, this results in a total of **\$192,060.18** (\$16.69 x 9,206 workweeks x 5 shifts x .25 hours) owed in unpaid wages.

Unpaid Overtime Wages

Based on an analysis of the records, Plaintiff estimates that the Class Members were underpaid approximately **\$4,322.00** in overtime wages due to regular rate violations.

Rest Period Claims

Plaintiff argues that Defendant owes a rest period premium for 50% of shifts worked. Thus, Defendant’s estimated exposure for its failure to provide compliant rest periods is **\$384,120.35** (\$16.69 x 9,206 workweeks x 5 shifts x .5).

Meal Period Claims

Based on a review of the records, Plaintiff estimates Defendant owes a meal period premium for

approximately 28,808 shifts. Thus, Defendant's estimated exposure for Plaintiff's meal period claim is **\$480,805.52** (28,808 violations x \$16.69).

Unreimbursed Business Expenses

The Class Members worked a total of 2,127 months during the Class Period. Plaintiff estimates the average monthly cell phone bill of Class Members is approximately \$50, and that each Class Member used their personal cell phone for work-related purposes about 20% of the time. Thus, the total value of this claim is approximately **\$21,270.00** (2,127 months × \$50 × 0.20).

Wage Statement Penalties

Defendant identified 2,373 pay periods in the year prior to the filing of the complaint. There are approximately 113 full-time employees. Thus, of these pay periods, 113 are "initial" and assessed a \$50 penalty for a total of \$5,650.00, while 2,260 pay periods are "subsequent" and assessed a \$100 penalty, for a total of \$226,000.00; this results in a total of **\$231,650.00** owed in wage statement penalties.

Waiting Time Penalties

Defendant identified 114 Class Members whose employment with Defendant had terminated. Because Class Members typically worked 8 hours with an average pay of \$16.69 per hour for a total daily wage of \$133.52, Defendant's exposure for this claim can be calculated as: \$133.52 daily rate x 30 days x 114 former employees. This results in a total exposure of **\$456,638.40** for waiting time penalties.

PAGA Penalties

Defendant identified 2,273 pay periods within the PAGA Period. Defendant's exposure for PAGA penalties is \$100 * 2,273, which results in an absolute maximum PAGA exposure of **\$237,300.00** per Labor Code violation (without stacking).

The Gross Settlement Amount

In coming to a determination that this settlement is fair and reasonable and in the best interests of the Class, Plaintiff took the following factors into consideration: *First*, Plaintiff recognized that certification of the meal and rest break claims may prove challenging given Defendant's defense that all

1 employees take meal and rest breaks at the same time, Defendant maintained legally compliant wage
2 and hour policies, provides employees the opportunity to take meal and rest breaks, is not liable for
3 voluntary deviations, and all meal and rest periods are in compliance with the law. Plaintiff ascribed a
4 realistic settlement value of these claims at 50% of the maximum value given the risks of (1) not
5 certifying the class, and (2) not being able to establish (if the class is certified) damages on a classwide
6 basis. *Second*, Plaintiff took into account Defendant contends that Plaintiff's disciplinary history and
7 voluntary resignation undermine her credibility and weaken her claims. *Third*, Plaintiff considered
8 Defendant's assertion that Plaintiff is an inadequate class representative because she worked in a single
9 role, while most putative class members had different job responsibilities. This posed a risk that
10 Defendant would implement a *Pick Up Stix* strategy, whereby it would enter into individual settlement
11 agreements with each of the Class Members. Given that there are only 190 putative Class Members,
12 Plaintiff had to take this very real risk into account. *Fourth*, Plaintiff took into account that Defendant
13 disputes Plaintiff's claim for unreimbursed business expenses, arguing that employees who needed to
14 use personal phones for work were provided a stipend. *Fifth*, Plaintiff took into account that this Court
15 may not find the requisite willfulness to award penalties, and that this Court may exercise its discretion
16 to reduce (or perhaps not award any) PAGA penalties.

17 Defendant also asserted that any violations of the Labor Code were unintentional, and that
18 Plaintiff would have difficulty proving willfulness or intentionality for penalty purposes, including
19 claims for civil penalties under PAGA and claims for waiting time penalties. Defendant further argued
20 that Plaintiff would be unable to prove "injury" for purposes of recovering penalties under Labor Code
21 226(e).

22 59. If Defendant prevailed on any of these defenses, the Claims of the Class would be worth
23 **nothing** or substantially less. Thus, given the total potential recovery, and the risks involved, a
24 settlement of \$205,000.00, is an excellent one. Further, the recovery for the Settlement is an immediate
25 one, whereas litigation and appeals could result in years of litigation without any recovery to the Class.

26 60. I believe that the causes of action, allegations, and contentions asserted in the Action
27 have merit, and that there was significant possibility of certifying the claims as a class action. However,
28

1 I also recognize and acknowledge the expense and delay of continued lengthy proceedings necessary to
2 prosecute the Action against Defendant through class certification, summary judgment trial, and through
3 appeals. Moreover, I have taken into account the uncertain outcome and the risk of any litigation, the
4 risk of continued litigation in complex actions such as this, as well as the difficulties and delays inherent
5 in such litigation, the potential risks of not obtaining certification of the Action as a Class Action, and
6 the risk of no recovery as well as ongoing, substantial additional expenditures of time and resources. If
7 settlement were not achieved, continued litigation of the claims would take substantial time and possibly
8 confer no benefit on Class Members. By contrast, the settlement will yield a prompt, certain, and
9 substantial recovery for Class Members, which also benefits the parties and the Court. I was also very
10 mindful of Defendant's numerous factual and legal defenses to the claims alleged and the very real risk
11 of legislative retroactive preemption.

12 61. In coming to an evaluation of a reasonable settlement, I needed to take into account the
13 possibility of unfavorable decisions on class certification, summary judgment, at trial and/or on the
14 damages awarded, and/or on an appeal that would all take several more years to litigate, the risk of
15 Plaintiff not prevailing on one or more of the underlying claims due to factors such as Defendant's
16 ability to distinguish this case from existing cases, the risk that a court may not award waiting time
17 penalties based on difficulties in establishing bad faith, and the transaction costs and time of litigation.

18 62. Class Counsel believes that the Settlement confers substantial benefits upon the Class
19 Participants and each of the members of the Class, and that an independent review of the Settlement
20 Agreement by the Court in the approval process will confirm this conclusion. Based on their own
21 independent investigation and evaluation, Class Counsel has determined that the Settlement set forth in
22 the Settlement Agreement is fair and reasonable and is in the best interests of the members of the Class.

23 63. The settlement was the product of extensive arm's length negotiations, which took place
24 prior to, and during, an all-day mediation before renowned wage and hour mediator Steven J. Serratore.
25 Though cordial and professional, the settlement negotiation was adversarial and non-collusive in nature.
26 The settlement reached is the product of substantial effort by the parties and their counsel. Although
27 Plaintiff and her counsel believed that there was a possibility of certifying the claims, they recognized
28

1 the potential risk, expense, and complexity posed by litigation, such as unfavorable decisions on class
2 certification, summary judgment, at trial and/or on the damages awarded, and/or on an appeal that can
3 take several more years to litigate.

4 64. The resulting settlement was based on calculations, risk assessment, and non-collusive
5 negotiation. The resulting settlement takes those risks and others into account in arriving at the non-
6 reversionary gross settlement amount of \$205,000.00.

7 65. I thoroughly investigated and evaluated the factual and legal strengths and weaknesses of
8 this case before reaching the settlement. As described above, the settlement was reached after extensive
9 investigation and research, thorough calculations and risk evaluation, substantial exchanges of
10 documents, a thorough evaluation of data for the Class, and an exchange of information required to
11 evaluate Defendant's defenses. The settlement came only after the case was thoroughly investigated by
12 Plaintiff's counsel.

13 66. The estimated 190 Class Members will enjoy substantial monetary recovery amounting to
14 an average recovery per class member of approximately \$364.04 net, and an approximate maximum
15 recovery of \$910.09 net.

16 *Plaintiff's Counsel Is Experienced in Wage-And-Hour Litigation, Including Numerous Class Actions*

17 67. Throughout my career, I have gained significant experience regarding the obligations and
18 burdens of representing a class. This knowledge has allowed me and my firm, Melmed Law Group P.C.,
19 to successfully represent plaintiffs in many class actions in the past years. As noted, numerous state and
20 federal courts in California have found that my firm is competent and capable of representing as Class
21 Counsel large classes similar to the one here at issue.

22 68. In 2007, I received a B.A. from New York University, in New York, New York. In 2012,
23 I received a J.D. from Loyola Law School, Los Angeles. I became a member of the Bar of the State of
24 California in June 2013.

25 69. From 2012 through 2014, I was an associate attorney at Von Behren & Hunter, LLP
26 ("VBH") in Manhattan Beach, California. At VBH, I litigated complex commercial litigation matters
27 where I represented life and health insurers in bad faith, ERISA, breach of contract and related disputes.
28

1 At VBH, I also represented and assisted in the representation of hotels, restaurants and real estate
2 development groups in state and federal commercial litigation, including class action cases (*see, i.e.*
3 *Daniel Flannery v. McCormick & Schmicks Seafood Restaurants*, Los Angeles County Superior Court,
4 Case No. BC487942).

5 70. From February 2015 through the present, I have been a founding and managing
6 shareholder in the firm of Melmed Law Group P.C. where I represented and continue to represent
7 thousands of employees in wage and hour class actions, and other employment-related matters. Melmed
8 Law Group P.C. has extensive experience in the litigation of complex cases, including California-wide
9 class actions. I am also an active member of the plaintiff's employment bar association called the
10 California Employment Lawyers Association ("CELA").

11 71. In addition to the instant case, I have served as class counsel in a variety of wage and
12 hour class actions. I, along with my co-counsel, have developed extensive litigation experience in
13 complex employment litigation matters, particularly in California class actions representing employees.
14 A list of class and PAGA approvals is attached herein as **Exhibit D**.

15 *The Attorneys' Fees Allocation is Reasonable*

16 72. Plaintiff also requests that the Court preliminarily approve an award of reasonable
17 attorneys' fees amounting to \$68,333.33. The attorneys' fee award of 1/3 of the settlement fund is
18 reasonable considering the experience of Class Counsel in employment law class actions, the legal
19 expertise required to litigate this case and negotiate this Settlement, and the significant amount of actual
20 lodestar time that Class Counsel has dedicated to this case. The attorneys' fees sought are comparable to
21 attorneys' fee awards granted in similar cases, and, moreover, represent only a fraction of the market
22 value of services rendered by Class Counsel on behalf of the Class to date. Significantly, the Retainer
23 Agreement in this case provides fees up to one-third of the amount obtained.

24 73. If the Court grants preliminary approval to the settlement and authorizes the
25 dissemination of notice of the settlement to the class, Class Counsel anticipates filing a Motion for
26 Attorneys' Fees, Costs, and Incentive Award that will be scheduled to be heard concurrently (or will be
27 part of) the Motion for Final Approval and Fairness Hearing. In connection with the filing of the Motion
28

1 for Attorneys' Fees and Costs, Class Counsel will submit updated information in the form of a sworn
2 declaration setting forth a summary of their lodestar hours on this case, as well all of their actual costs
3 incurred in this case.

4 *The Class Representative Incentive Award is Fair and Appropriate*

5 74. Plaintiff requests payment of an Incentive Award from the non-reversionary Gross
6 Settlement Amount to the Class Representative in the amount of \$7,500.00, in addition to whatever
7 payments she is otherwise entitled to receive as a Class Member. The proposed Incentive Award is
8 reasonable compensation given the time and effort that the named Plaintiff devoted to this case and the
9 valuable assistance she provided to Class Counsel.

10 75. Plaintiff provided invaluable assistance to Class Counsel and the Class in this case,
11 including providing factual background for mediation and the Complaint; reviewing the relevant
12 documents and Complaint; participating in phone calls with Class Counsel; attending a full-day
13 mediation by phone; and reviewing the settlement documents. Plaintiff agreed to participate in this case
14 with no guarantee of personal benefit.

15 76. Further, Plaintiff agreed to undertake the financial risk of serving as Class Representative
16 and exposed herself to the reputational risk of filing this lawsuit. Moreover, the requested \$7,500.00
17 Incentive Award for the Class Representative falls within the range of incentive payments typically
18 awarded to Class Representative in similar class actions. *See e.g. Bond v. Ferguson Enterprises, Inc.*,
19 No. 1:09-cv-1662 OWW MJS, 2011 WL 2648879 (E.D. Cal. June 30, 2011) (approving \$11,250
20 service award to each of the two class representatives in a trucker meal break class action; *Ross v. US*
21 *Bank National Association*, No. C 07-02951 SI, 2010 WL 3833922, at *2 (N.D. Cal. Sept. 29, 2010)
22 (approving \$20,000 enhancement award to Class Representative in California wage-and-hour class
23 action settlement); *Vasquez v. Coast Valley Roofing, Inc.*, 266 F.R.D. 482, 493 (E.D. Cal. 2010)
24 (approving service awards in the amount of \$10,000 each from a \$300,000 settlement fund in a
25 wage/hour class action); *West v. Circle K Stores, Inc.*, NO. CIV. S-04-0438 WBS GGH, 2006 U.S. Dist.
26 LEXIS 76558, at *28 (E.D. Cal. Ct. 19, 2006) ("the court finds plaintiffs' enhancement payments of \$
27 15,000 each to be reasonable."); *Glass v. UBS Fin. Servs.*, No. C-06-4068 MMC, 2007 U.S. Dist.

1 LEXIS 8476, at *52 (N.D. Cal. Jan. 26, 2007) (finding “requested payment of \$ 25,000 to each of the
2 named plaintiffs is appropriate” in wage and hour settlement); *Louie v. Kaiser Found. Health Plan, Inc.*,
3 Case No. 08cv0795 IEG RBB, 2008 U.S. Dist. LEXIS 78314, at *18 (S.D. Cal. Ct. 6, 2008) (approving
4 “\$25,000 incentive award for each Class Representative” in wage an hour settlement); *Garner v. State*
5 *Farm Mut. Auto. Ins. Co.*, Case No. CV 08 1365 CW (EMC), 2010 WL 1687832, at *17 n.8 (N.D. Cal.
6 Apr. 22, 2010) (“Numerous courts in the Ninth Circuit and elsewhere have approved incentive awards of
7 \$20,000 or more where, as here, the class representative has demonstrated a strong commitment to the
8 class”).

9 77. The parties propose that the Court appoint Apex Class Action Administration to serve as
10 the Settlement Administrator. Apex Class Action Administration is experienced in administering class
11 action settlements. A true and correct copy of the bid from Apex Class Action Administration is
12 attached hereto as **Exhibit E**.

13 78. Plaintiff provided notice of this Settlement, a copy of the Settlement Agreement, and the
14 accompanying approval papers to the LWDA. A true and correct copy of the confirmation of
15 submission is attached hereto as **Exhibit F**.

16 I declare under penalty of perjury under the laws of the United States and the State of
17 California that the foregoing is true and correct.

18 Executed on April 2, 2025 in Los Angeles, California.

19
20 By:


Jonathan Melmed, Esq.

EXHIBIT A

MELMED LAW GROUP P.C.

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Attorneys for Plaintiff, the Putative Class, and the Aggrieved Employees

Additional Counsel Listed on Next Page

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

MARTHA SANCHEZ PADILLA, an individual,
on behalf of herself, the State of California, as a
private attorney general, and on behalf of all
others similarly situated,

Plaintiff,

v.

CENTRAL IRRIGATION, INC., a California
corporation; and DOES 1 TO 50,

Defendants.

Case No.: MCV090815

**Settlement Agreement and Release of Class
Action**

SETTLEMENT AGREEMENT AND RELEASE OF CLASS ACTION

This Settlement Agreement and Release of Class Action (“Settlement Agreement”) is made and entered into by: **(1)** Plaintiff Martha Sanchez Padilla (“Plaintiff”), individually and in her representative capacity on behalf of the Settlement Class, as defined below, and as a private attorney general on behalf of the State of California; and **(2)** Defendant Central Irrigation, Inc. (“Defendant”). Plaintiff and Defendant are collectively referred to herein as the “Parties.” This Settlement Agreement is subject to the approval of the Court, pursuant to California Rules of Court, rule 3.769, subdivisions (c), (d), and (e), and is made for the sole purpose of attempting to consummate settlement of the action on a class-wide basis subject to the following terms and conditions. As detailed below, if the Court does not enter an order granting final approval of this Settlement Agreement or the conditions precedent are not met for any reason, this Settlement Agreement is void and of no force or effect whatsoever.

1. DEFINITIONS

As used in this Settlement Agreement, the following terms shall have the meanings specified below. To the extent terms or phrases used in this Settlement Agreement are not specifically defined below, but are defined elsewhere in this Settlement Agreement, they are incorporated by reference into this definition section.

1.1. ACTION

“Action” shall mean the following civil action: *Martha Sanchez Padilla v. Central Irrigation, Inc.*, case number MCV090815, currently pending before the Superior Court of the State of California for the County of Madera.

1.2. ADMINISTRATIVE EXPENSES

“Administrative Expenses” shall include all costs and expenses associated with and paid to the third-party settlement administrator, which are estimated not to exceed \$20,000.00.

1.3. APPLICABLE WAGE ORDER

“Applicable Wage Order” shall mean the California Industrial Welfare Commission (“IWC”) Wage Orders applicable to the facts of this case and Defendant’s operation.

1.4. CLAIMS

“Claims” shall mean the claims asserted in the Action.

1 **1.5. CLASS ATTORNEY FEES AND EXPENSES**

2 “Class Attorney Fees and Expenses” shall mean the portion of the Gross Settlement Amount
3 attributable to attorney fees and litigation expenses. The Parties agree that the fee-portion of the Class
4 Attorney Fees and Expenses shall be up to one-third of the Gross Settlement Amount (i.e., \$68,333.33),
5 as approved by the Court, and the award of costs and expenses shall be up to an additional \$25,000.00.
6 If the Escalator Provision described below is triggered so as to increase the Gross Settlement Amount,
7 the Parties agree that the fee portion of the Class Attorney Fees and Expenses will increase
8 proportionally such that the total amount of attorneys’ fees remains one-third of the Gross Settlement
9 Amount *after* the upward adjustment required by the Escalator Provision is implemented.

10 **1.6. CLASS COUNSEL**

11 “Class Counsel” shall mean Jonathan Melmed and Laura Supanich of Melmed Law Group P.C.

12 **1.7. CLASS MEMBER**

13 “Class Member” shall mean any person who is a prospective member of the Settlement Class,
14 or, if such person is incompetent or deceased, the person’s legal guardian, executor, heir, or successor-
15 in-interest.

16 **1.8. CLASS NOTICE**

17 “Class Notice” shall mean the *Notice of Proposed Class Action Settlement*, as set forth in the
18 form of **Exhibit 1** attached hereto, or as otherwise approved by the Court, which is to be mailed to
19 Class Members along with the Share Form.

20 **1.9. CLASS PARTICIPANTS**

21 “Class Participants” shall mean all Class Members who do not timely request exclusion from
22 the Class Settlement.

23 **1.10. CLASS PERIOD**

24 “Class Period” shall mean the period from November 29, 2019, through May 30, 2024.

25 **1.11. CLASS REPRESENTATIVE**

26 “Class Representative” shall mean Plaintiff Martha Sanchez Padilla.
27
28

1.12. CLASS SETTLEMENT

“Class Settlement” shall mean the settlement embodied in this Settlement Agreement, which is subject to Court approval.

1.13. COMPLAINT

“Complaint” shall mean the currently-operative complaint in the Action.

1.14. COURT

“Court” shall mean the Superior Court of the State of California for the County of Madera.

1.15. DEFENDANT

“Defendant” shall mean Defendant Central Irrigation, Inc..

1.16. DEFENSE COUNSEL

“Defense Counsel” shall mean the attorneys representing Defendant.

1.17. EFFECTIVE DATE

“Effective Date” shall be the date when all of the following events have occurred: **(a)** this Settlement Agreement has been executed by all Parties and by Class Counsel and Defense Counsel; **(b)** the Court has given preliminary approval to the Class Settlement; **(c)** notice has been given to the Settlement Class providing them with an opportunity to request exclusion from the Class Settlement; **(d)** the Court has held a Final Approval and Fairness Hearing and entered a final order and judgment certifying the Settlement Class and approving this Settlement Agreement; and **(e)** the later of the following events: **(i)** the expiration of the period for filing any appeal, writ, or other appellate proceeding opposing the Class Settlement has elapsed without any appeal, writ, or other appellate proceeding having been filed; **(ii)** the dismissal of any appeal, writ, or other appellate proceeding opposing the Class Settlement with no right to pursue further remedies or relief; or **(iii)** any appeal, writ, or the issuance of such other final appellate order upholding the Court’s final order with no right to pursue further remedies or relief. In this regard, it is the intention of the Parties that the Class Settlement shall not become effective until the Court’s order approving the Class Settlement is completely final and there is no further recourse by an appellant or objector who seeks to contest the Class Settlement. If no objections are filed, the Effective Date shall be after steps (a) through (d) are

1 completed (i.e., the date that the court has entered a final order and judgment certifying the Settlement
2 Class and approving this Settlement Agreement).

3 **1.18. EMPLOYEE’S TAXES AND REQUIRED WITHHOLDING**

4 “Employee’s Taxes and Required Withholding” shall mean the employee’s share of any and all
5 applicable federal, state, or local payroll taxes, including those collected under authority of the Federal
6 Insurance Contributions Act (FICA), the Federal Unemployment Tax Act (FUTA), and/or the State
7 Unemployment Tax Act (SUTA) on the portion of any Class Participant’s Individual Settlement
8 Amount that constitutes wages. The Employee’s Taxes and Required Withholdings will be withheld
9 from and paid out of the Individual Settlement Amounts paid from the Net Settlement Amount.

10 **1.19. EMPLOYER’S TAXES**

11 “Employer’s Taxes” shall mean and refer to Defendant’s share of payroll taxes (e.g.,
12 Unemployment Insurance, Employment Training Tax, Social Security, and Medicare taxes) that is
13 owed on the portion of any Class Participant’s Individual Settlement Amount that constitutes wages.
14 The Employer’s Taxes shall be separately paid by Defendant and shall not be paid from the Gross
15 Settlement Amount or Net Settlement Amount.

16 **1.20. FINAL APPROVAL AND FAIRNESS HEARING**

17 “Final Approval and Fairness Hearing” shall mean the final hearing held to ascertain the
18 fairness, reasonableness, and adequacy of the Class Settlement.

19 **1.21. GROSS SETTLEMENT AMOUNT**

20 “Gross Settlement Amount” is the agreed upon non-reversionary settlement amount totaling
21 \$205,000.00 to be paid by Defendant in full settlement of the Released Claims asserted in this case,
22 inclusive of the Administrative Expenses, the Employee’s Taxes and Required Withholdings, the Class
23 Attorney Fees and Expenses, the Incentive Award, and PAGA Payment. Defendant shall separately
24 pay its share of the Employer’s Taxes in addition to the Gross Settlement Amount on the portion of
25 each Individual Settlement Amount allocated as wages.

26 **1.22. HEARING ON PRELIMINARY APPROVAL**

27 “Hearing on Preliminary Approval” shall mean the hearing held on the motion for preliminary
28 approval of the Class Settlement.

1.23. INCENTIVE AWARD

“Incentive Award” shall mean any additional monetary payment provided to the Class Representative for her efforts and risks on behalf of the Settlement Class in this Action.

1.24. INDIVIDUAL SETTLEMENT AMOUNT

“Individual Settlement Amount” shall mean the amount which is ultimately distributed to each Class Participant, less any Employee’s Taxes and Required Withholdings. The Individual Settlement Amount does not include any portion of the PAGA Payment.

1.25. NET SETTLEMENT AMOUNT

“Net Settlement Amount” shall mean the Gross Settlement Amount minus: Administrative Expenses; Class Attorney Fees and Expenses; 75% of the share of the Gross Settlement Amount allocated toward penalties pursuant to the Labor Code Private Attorney General Act of 2004 (“PAGA”), codified at Labor Code sections 2698 through 2699.6, which are payable to the California Labor and Workforce Development Agency (“LWDA”); and Plaintiff’s Incentive Award.

1.26. OPT OUT

“Opt Out” shall refer to the process of submitting a timely and valid request for exclusion from the Class Settlement in accordance with the terms of the Class Notice and no later than the Response Deadline.

1.27. OPT-OUTS

“Opt-Outs” shall mean all persons who timely and validly request exclusion from the Class Settlement in accordance with the terms of the Class Notice and no later than the Response Deadline.

1.28. PAGA PAYMENT

“PAGA Payment” means the penalties pursuant to PAGA that the Parties have agreed is a reasonable sum to be paid in settlement of the PAGA claims included in the Action, which is \$20,000.00. The PAGA Payment is to be approved by the Court pursuant to Labor Code section 2699 and is to be distributed as follows: seventy-five percent (75%) (i.e., \$15,000.00) to the LWDA and twenty-five percent (25%) (i.e., \$5,000.00) to the PAGA Settlement Class. Class Counsel shall give timely notice of this Settlement Agreement to the LWDA pursuant to Labor Code section 2699, subdivision (l)(2).

1 **1.29. PAGA PERIOD**

2 “PAGA Period” shall mean the period from November 29, 2022, through May 30, 2024.

3 **1.30. PAGA SETTLEMENT CLASS**

4 “PAGA Settlement Class” shall mean all individuals who are or were employed by Defendants
5 as non-exempt employees in California during the PAGA Period. Defendant represents that the PAGA
6 Settlement Class consists of approximately 113 employees that worked a total of approximately 3,971
7 pay periods during the PAGA Period.

8 **1.31. PARTIES**

9 “Parties” shall mean Plaintiff and Defendant.

10 **1.32. PLAINTIFF**

11 “Plaintiff” shall mean Plaintiff Martha Sanchez Padilla.

12 **1.33. PRELIMINARY APPROVAL DATE**

13 “Preliminary Approval Date” shall mean the date upon which the Court enters an order
14 preliminarily approving this Settlement Agreement.

15 **1.34. RELEASED CLAIMS**

16 “Released Claims” shall mean all claims, demands and liabilities under State, Federal and/or
17 local law that were alleged, that could have been alleged and/or which arise out of, are attributable to
18 and/or relate to the allegations set forth in the operative complaint and/or PAGA notice to the California
19 Labor and Workforce Development Agency that arose during the Class Period and/or PAGA Period,
20 including, but not limited to, claims for: **(1)** failure to pay minimum wage at the appropriate legal rate
21 for all hours worked in violation of Labor Code sections 1194 and 1194.2, and the applicable IWC
22 Wage Order(s); **(2)** failure to pay proper overtime wages at the appropriate legal rate in violation of
23 Labor Code sections 510, 1197, and 1198, and the applicable IWC Wage Order(s); **(3)** failure to provide
24 compliant rest periods and/or pay missed rest break premiums in violation of Labor Code section 226.7
25 and the applicable IWC Wage Order(s); **(4)** failure to provide compliant meal periods and/or pay
26 missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the applicable
27 IWC Wage Order(s); **(5)** failure to maintain accurate employment records in violation of Labor Code
28 section 1174; **(6)** failure to pay timely wages during employment in violation of Labor Code sections

204, 210; **(7)** failure to pay all wages due and owing at separation in violation of Labor Code sections 201, 202, and 203; **(8)** failure to reimburse business expenses in violation of Labor Code sections 2802 and 2804; **(9)** failure to provide accurate itemized wage statements (based on both direct and derivative theories of liability); **(10)** failure to maintain accurate payroll and employment records; **(11)** failure to provide paid sick leave or pay paid sick leave at the appropriate legal rate; **(12)** deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California’s Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); **(13)** statutory penalties based on the foregoing pursuant to PAGA (Lab. Code, §§ 2698-2699.6); and **(11)** all claims for liquidated damages, penalties, premiums, interest, attorneys’ fees, expert and/or consultant fees and costs based on the foregoing.

No other claims are released other than those claims specifically plead in the Complaint or otherwise specifically identified herein.

1.35. RELEASED PARTIES

“Released Parties” shall mean Defendant and all of its past, present and future subsidiaries, dbas, parents, divisions, related entities, joint venturers, and any other entities that could be considered to have jointly employed the Settlement Class Members and/or PAGA Settlement Class Members, as well as each of their respective owners, co-employers, joint employers, agents, officers, directors, stockholders, shareholders, investors, members, principals, subsidiaries, affiliates, partners, predecessors, successors, assigns, insurers, reinsurers, employees, attorneys, agents, heirs, estates, executors, spouses, associates, representatives, administrators, fiduciaries, trustees, accountants, auditors, company-sponsored employee benefit plans of any nature, and all other legal entities affiliated with the foregoing.

1.36. RELEASING PARTIES

“Releasing Parties” shall mean every Class Participant and all persons purporting to act on their behalf or purporting to assert a claim under or through them, including, but not limited to, their dependents, heirs, assigns, beneficiaries, devisees, legatees, executors, administrators, agents, trustees, conservators, guardians, personal representatives, and successors-in-interest, whether individual, class, representative, legal, equitable, direct or indirect, or any other type or in any other capacity.

1.37. RESPONSE DEADLINE

“Response Deadline” shall mean the date sixty (60) days following the date on which the Settlement Administrator first mails Class Notice to the Class Members and the last day on which Class Members may submit a request for exclusion and/or objection to Class Settlement.

1.38. SETTLEMENT ADMINISTRATOR

“Settlement Administrator” shall mean Apex Class Action Administration which the Parties have agreed will be responsible for administration of the Class Settlement and related matters.

1.39. SETTLEMENT CLASS

“Settlement Class” shall mean all individuals who are or were employed by Defendants as non-exempt employees in California during the Class Period. Defendant represents that as of Mediation, the Settlement Class consists of approximately 190 Class Members that worked a total of approximately 9,206 workweeks during the Class Period.

1.40. SHARE FORM

“Share Form” shall mean the *Class Action Settlement Share Form*, as set forth in the form of **Exhibit 2** attached hereto, or as otherwise approved by the Court, which is to be mailed to Class Members along with the Class Notice.

2. FACTUAL AND PROCEDURAL BACKGROUND

2.1. PLAINTIFF’S CLAIMS

Plaintiff, individually and in her representative capacity on behalf of the Settlement Class, and as a private attorney general on behalf of the State of California, has alleged the following violations:

- (1) failure to pay minimum wage for all hours worked in violation of Labor Code sections 1194 and 1194.2, and the Applicable Wage Order(s); (2) failure to pay proper overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the Applicable Wage Order(s); (3) failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the Applicable Wage Order(s); (4) failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the Applicable Wage Order(s); (5) failure to maintain accurate employment records in violation of Labor Code section 1174; (6) failure to pay timely wages during employment in violation of Labor Code sections 204, 210;

(7) failure to pay all wages due and owing at separation in violation of Labor Code sections 201, 202, and 203; (8) failure to reimburse business expenses in violation of Labor Code sections 2802 and 2804; (9) failure to provide complete and accurate itemized wage statements (based on both direct and derivative theories of liability); (10) failure to maintain accurate payroll and employment records; (11) failure to provide paid sick leave or pay paid sick leave at the appropriate legal rate; (12) deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); (13) statutory penalties based on the foregoing pursuant to PAGA (Lab. Code, §§ 2698–2699.6); and (14) claims for liquidated damages, penalties, premiums, interest, attorneys' fees, expert and/or consultant fees and costs.

2.2. DISCOVERY, INVESTIGATION, RESEARCH, AND MEDIATION

Class Counsel has conducted significant informal discovery during the prosecution of the Action. This discovery, investigation, and prosecution has included, among other things, (a) over a dozen telephonic conferences with Plaintiff; (b) inspection and analysis of hundreds of pages of documents and other information produced by Plaintiff and Defendant; (c) analysis of employment data from a sample of Class Members; (d) an analysis of the legal positions taken by Defendant; (d) investigation into the viability of class treatment of the claims asserted in the Action; (e) analysis of potential class-wide damages, including information sufficient to understand Defendant's potential defenses to Plaintiff's claims; (f) research of the applicable law with respect to the claims asserted in the Complaint and the potential defenses thereto; and (g) assembling and analyzing of data for calculating damages.

Class Counsel and the Class Representative have vigorously prosecuted this case, and Defendant has vigorously contested it. The Parties have engaged in sufficient investigation and discovery to assess the relative merits of the claims of the Class Representative and of the defenses to them. After such discovery, investigation, and prosecution, the Parties attended a full-day mediation with an experienced employment law mediator, which culminated in a settlement in principle, the terms of which are elaborated in this Settlement Agreement.

1 **2.3. ALLEGATIONS OF THE CLASS REPRESENTATIVE AND BENEFITS OF**
2 **CLASS SETTLEMENT**

3 The document and data exchange in this matter, as well as discussions between counsel, have
4 been adequate to give the Class Representative and Class Counsel a sound understanding of the merits
5 of their positions and to evaluate the value of the claims of the Settlement Class. The informal discovery
6 conducted in this Action and the information exchanged by the Parties through pre-mediation
7 discussions are sufficient to reliably assess the merits of the Parties' respective positions and to
8 compromise the issues on a fair and equitable basis.

9 The Class Representative and Class Counsel believe that the claims, causes of action,
10 allegations, and contentions asserted in the Action have merit. However, the Class Representative and
11 Class Counsel recognize and acknowledge the expense and delay of continued lengthy proceedings
12 necessary to prosecute the Action against Defendant through trial and through appeals. Class Counsel
13 has taken into account the uncertain outcome of the litigation, the risk of continued litigation in complex
14 actions such as this, as well as the difficulties and delays inherent in such litigation, and the potential
15 difficulty of obtaining certification of the Settlement Class as well as trying the claims of the class.
16 Class Counsel is mindful of the potential problems of proof under, and possible defenses to, the claims
17 alleged in the Action.

18 The Class Representative and Class Counsel believe that the settlement set forth in this
19 Settlement Agreement confers substantial benefits upon Plaintiff and the Settlement Class and that an
20 independent review of this Settlement Agreement by the Court in the approval process will confirm
21 this conclusion. Based on their own independent investigation and evaluation, Class Counsel has
22 determined that the settlement set forth in this Settlement Agreement is in the best interests of Plaintiff
23 and the Class Members.

24 **2.4. DEFENDANT'S DENIALS OF WRONGDOING AND LIABILITY**

25 Defendant has denied and continues to deny all allegations, claims, and contentions alleged by
26 Plaintiff in the Action. Defendant has expressly denied and continues to deny all charges of wrongdoing
27 or liability against it arising out of any of the conduct, statements, acts, or omissions alleged in the
28

1 Action. Defendant contends that it complied with California and federal wage and hour laws and has
2 dealt legally and fairly with Plaintiff and the Class Members.

3 Defendant further denies that, for any purpose other than settling this Action, these claims are
4 appropriate for class or representative treatment. Nonetheless, Defendant has concluded that further
5 proceedings in the Action would be protracted and expensive and that it is desirable that the Action be
6 fully and finally settled in the manner and upon the terms and conditions set forth in this Settlement
7 Agreement to dispose of burdensome and protracted litigation, to permit the operation of Defendant's
8 business without further expensive litigation and the distraction and diversion of its personnel with
9 respect to matters at issue in the Action. Defendant has also taken into account the uncertainty and risks
10 inherent in any litigation, especially in complex cases such as the Action. Defendant has, therefore,
11 determined that it is desirable and beneficial to it that the Action be settled in the manner and upon the
12 terms and conditions set forth in this Settlement Agreement.

13 **2.5. INTENT OF THE CLASS SETTLEMENT**

14 The Class Settlement set forth herein intends to achieve the following: **(1)** entry of an order
15 approving the Class Settlement; **(2)** entry of judgment of the Action; **(3)** discharge of the Released
16 Parties from liability for any and all of the Released Claims; and **(4)** discharge of Defendant from
17 liability for any and all claims arising out of the Action.

18 **3. CONDITIONAL CERTIFICATION OF THE SETTLEMENT CLASS**

19 For the purposes of this Settlement Agreement and the Class Settlement of this Action only, the
20 Parties agree to conditional class certification of the Settlement Class. Defense Counsel believes this
21 conditional certification is appropriate because the Released Claims are being compromised without
22 need to establish the elements of those claims on which liability turns. The certification of the
23 Settlement Class shall not constitute, in this or any other proceeding, an admission of any kind by
24 Defendant, including without limitation, that certification of a class for trial purposes is or would be
25 warranted, appropriate or proper; or that Plaintiff could establish any of the requisite elements for class
26 treatment of any of the claims in the Action.

27 If the Settlement Agreement is not finally approved by the Court, the Effective Date is not
28 achieved, or the Class Settlement is rejected, terminated, or otherwise rendered null and void as set

1 forth herein, then certification of the Settlement Class shall be automatically vacated, shall be void *ab*
2 *initio*, of no force or effect, and shall not constitute evidence or a binding determination that the
3 requirements for certification of a class for trial purposes in this Action or in any other action which
4 have been, are or can be, satisfied. Further, if the Agreement does not reach the Effective Date, Plaintiff
5 agrees that Plaintiff will not argue, claim, reference, or otherwise raise any preliminary approval of the
6 Settlement Class in connection with any later proceeding before the Court.

7 **4. APPOINTMENT OF CLASS COUNSEL**

8 For purposes of this Settlement Agreement and subject to the Court's approval, the Parties agree
9 to the appointment of Class Counsel as counsel for the Settlement Class and the effectuation of the
10 Class Settlement pursuant to this Settlement Agreement.

11 **5. CONSIDERATION**

12 **5.1. SETTLEMENT AMOUNT**

13 The Parties agree to settle this Action for the Gross Settlement Amount of \$205,000.00. There
14 shall be no reversion to Defendant. Defendant shall pay the Gross Settlement Amount in full. The Gross
15 Settlement Amount and other actions and forbearances taken by Defendant shall constitute adequate
16 consideration for the Class Settlement and will be made in full and final settlement of: the Released
17 Claims, the Class Attorney Fees and Expenses, Administrative Expenses, the Incentive Award, the
18 PAGA Payment (and any payments to individual PAGA Class Members resulting from the PAGA
19 Payment), and any other obligation of Defendant under this Settlement Agreement (other than the
20 Employer's Taxes on the portion of the Net Settlement Amount allocated to the payment of wages).

21 After the Court issues an order preliminarily approving this Class Settlement, the Settlement
22 Administrator will distribute the Class Notice to the Class Members, which shall describe the terms of
23 the Class Settlement and procedures to Opt Out, object, or participate in the Class Settlement as well
24 as the Share Form, which shall identify the Class Member, the number of workweeks worked by each
25 Class Member ("Workweeks"), as well as the estimated amount of the Individual Settlement Amount
26 the Class Member can expect to receive once the Class Settlement becomes effective on the Effective
27 Date. Class Members shall be given the opportunity to challenge their Workweeks information.
28

5.2. INCENTIVE AWARD FOR PLAINTIFF

Plaintiff may petition the Court to approve an Incentive Award in an amount up to \$7,500.00 for Martha Sanchez Padilla to acknowledge her efforts on behalf of the Settlement Class in this Action, including assisting in the investigation and consulting with Class Counsel and providing crucial documents to Class Counsel. Defendant shall not oppose any request by Plaintiff for an Incentive Award in such an amount. Any Incentive Award approved by the Court shall be paid to Plaintiff from the Gross Settlement Amount and shall be in addition to any distribution to which she may otherwise be entitled as a Class Participant. Any Incentive Award approved by the Court shall not be considered wages, and the Settlement Administrator shall issue to Plaintiff an IRS Form 1099 reflecting such payment. Plaintiff shall be responsible for the payment of all taxes with respect to any Incentive Award approved by the Court and shall hold Defendant harmless from all liability with regard thereto.

5.3. PAYMENT TO CLASS PARTICIPANTS

Each Class Participant shall be eligible to receive payment of the Individual Settlement Amount, which is a share of the Net Settlement Amount based on the pro rata number of weeks worked by the Class Members during the Class Period as a proportion of all weeks worked by all Class Members. Each Class Participant, including Plaintiff, shall be responsible for the payment of the Employee's Taxes and Required Withholding with respect to his or her Individual Settlement Amount and shall hold Defendant harmless from any and all liability with regard thereto.

5.4. PAYMENT TO PAGA SETTLEMENT CLASS

Each member of the PAGA Settlement Class shall be entitled to receive a portion of the PAGA Payment. The PAGA Payment shall consist of the penalties pursuant to PAGA that the Parties have agreed is a reasonable sum to be paid in settlement of the PAGA claims included in the Action, which is \$20,000.00. The PAGA Payment must be approved by the Court pursuant to Labor Code section 2699 and is to be distributed as follows: seventy-five percent (75%) (i.e., \$15,000.00) to the LWDA and twenty-five percent (25%) (i.e., \$5,000.00) to the PAGA Settlement Class. The portion of the PAGA Payment allocated to the PAGA Settlement Class shall be distributed to the PAGA Settlement Class based on the pro rata number of pay periods worked by each particular PAGA Settlement Class

1 member during the PAGA Period as a proportion of all pay periods worked by all members of the
2 PAGA Settlement Class.

3 **5.5. TAX TREATMENT AND PAYMENT**

4 For the purpose of calculating Employee's Taxes and Required Withholding for the Individual
5 Settlement Amounts for Class Participants (including any payments to the Class Representative but
6 exclusive of her Incentive Award), the Parties agree that 10% of each Individual Settlement Amount
7 shall constitute payment in the form of wages (and each Class Participant will be issued an IRS Form
8 W-2 for such payment to him or her), and 90% of each Individual Settlement Amount shall constitute
9 penalties and interest (and each Class Participant will be issued an IRS Form 1099 for such payment
10 to him or her). Prior to final distribution, the Settlement Administrator shall calculate the total
11 Employee's Taxes and Required Withholding due as a result of the wage portion of Class Participants'
12 anticipated Individual Settlement Amounts and such actual amount will be deducted from the Net
13 Settlement Amount. Additionally, prior to the funding of the Gross Settlement Amount and final
14 distribution, the Settlement Administrator shall calculate the total Employer's Taxes due on the wage
15 portion of the Class Participants' Individual Settlement Amounts and issue instructions to Defendant
16 to separately fund these tax obligations/withholdings. The Parties understand that Plaintiff and the
17 Class Participants who receive any payment pursuant to this Settlement Agreement shall be solely
18 responsible for all other individual tax obligations.

19 With respect to the PAGA Payment and any payments made to individual members of the
20 PAGA Settlement Class, all such payments shall be treated as payments owing for penalties and interest
21 thereon and shall not be considered wages. The Settlement Administrator shall issue to members of the
22 PAGA Settlement Class an IRS Form 1099 reflecting such payment. Members of the PAGA Settlement
23 Class shall be solely responsible for the payment of all taxes with respect to any PAGA payments made
24 to them.

25 **5.6. NO EFFECT ON EMPLOYEE BENEFIT PLANS**

26 Neither the Class Settlement nor any amounts paid under the Class Settlement will modify any
27 previously credited hours, days, or weeks of service under any employee benefit plan, policy or bonus
28 program sponsored by Defendant. Such amounts will not form the basis for additional contributions to,

benefits under, or any other monetary entitlement under Defendant's sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Settlement Agreement shall not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of any of Defendant's benefit plan, policy, or bonus program. Defendant retains the right to modify the language of its benefits plans, policies, and bonus programs to reflect this intent and to make clear that any amounts paid pursuant to this Settlement Agreement are not for "weeks worked," "weeks paid," "weeks of service," or any similar measuring term as defined by applicable plans, policies, and bonus programs for purpose of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement Agreement. The Parties do not consider the Class Settlement payments "compensation" for purposes of determining eligibility for, or benefit accrual within, any benefit plans, policies, or bonus programs, or any other plan sponsored by Defendant.

5.7. CLASS ATTORNEY FEES AND EXPENSES

As part of the motion for final approval of the Class Settlement, Class Counsel may apply for an award of Class Attorney Fees and Expenses with the fee portion not to exceed one-third of the Gross Settlement Amount (i.e., \$68,333.33) and the award of costs and expenses up to an additional \$25,000.00. Defendant agrees to not object to any such fee, cost, or expense application in those amounts.

As a condition of this Class Settlement, Class Counsel has agreed to pursue fees only in the manner reflected by this subsection. Any Class Attorney Fees and Expenses awarded by the Court shall be paid from the Gross Settlement Amount prior to arriving at the Net Settlement Amount and shall not constitute payment to any Class Members. If Class Counsel voluntarily reduces the request for Class Attorney Fees and Expenses or the Court's award of Class Attorney Fees and Expenses is less than set forth above, the Net Settlement Amount shall be recalculated to reflect the actual Class Attorney Fees and Expenses awarded.

The Class Attorney Fees and Expenses approved by the Court shall reflect: **(a)** all work performed and costs and expenses incurred by, or at the direction of, any attorney purporting to represent the Settlement Class through the date of this Settlement Agreement; **(b)** all work to be

1 performed and costs to be incurred in connection with approval by the Court of the Class Settlement;
2 (c) all work to be performed and costs and expenses, if any, incurred in connection with administering
3 the Class Settlement through the Effective Date and dismissal of the Action with prejudice; and (d) may
4 be based on the “catalyst theory” and/or the “common fund doctrine.”

5 **6. SETTLEMENT ADMINISTRATION**

6 **6.1. COSTS AND EXPENSES**

7 All costs and expenses due to the Settlement Administrator in connection with its administration
8 of the Class Settlement, including, but not limited to, providing the Class Notice, locating Class
9 Members, processing Opt Out requests and objections, distributing the portion of the PAGA Payment
10 payable to the LWDA, distributing the portion of the PAGA Payment payable to the members of the
11 PAGA Settlement Class, and calculating, administering and distributing Individual Settlement
12 Amounts to the Class Participants and related tax forms, shall be paid from the Gross Settlement
13 Amount, and is not expected to exceed \$20,000.00.

14 **6.2. PAYMENT BY DEFENDANT**

15 Defendant shall deposit the Gross Settlement Amount in a lump sum payment plus the
16 employer-side payroll taxes to the Settlement Administrator within seven (7) days of the Effective
17 Date. In no event shall Defendant be obligated to pay or deposit with the Settlement Administrator
18 more than \$205,000.00 plus the Employer’s Taxes, except where the Escalator Provision is triggered.

19 **7. NOTICE TO CLASS MEMBERS AND CLAIMS ADMINISTRATION PROCESS**

20 **7.1. THE SETTLEMENT ADMINISTRATOR**

21 The Settlement Administrator will be responsible for: mailing the Class Notice and Share Form
22 (Exhibit 1 and Exhibit 2, respectively) to Class Members; posting notice of entry of final order and
23 judgment certifying the Class Settlement and approving this Settlement Agreement; handling inquiries
24 from Class Members concerning the Class Notice; determining Individual Settlement Amounts;
25 determining individual payments to members of the PAGA Settlement Class; maintaining the
26 settlement funds in an appropriate interest-bearing account; preparing, administering, and distributing
27 Individual Settlement Amounts to Class Participants; preparing, administering, and distributing
28 individual payments to members of the PAGA Settlement Class; distributing the portion of the PAGA

1 Payment payable to the LWDA; issuing a final report and performing such other duties as the Parties
2 may direct. Additionally, the Settlement Administrator will handle all tax document preparation and
3 reporting, including state and federal tax forms, if any.

4 On a weekly basis, the Settlement Administrator will provide reports to Class Counsel and
5 Defense Counsel with summary information updating them as to the number of validated and timely
6 objections and Opt Out requests. The Settlement Administrator will serve on Class Counsel and
7 Defense Counsel via e-mail date-stamped copies of the original Opt Out requests and objections no
8 later than seven (7) days after their receipt. The Settlement Administrator will provide Class Counsel
9 with proof of mailing of the Class Notice, without listing individual Class Member names which the
10 Settlement Administrator will file with the Court at the time Class Counsel files its motion in support
11 of the Court's Final Approval and Fairness Hearing.

12 No later than thirty (30) days prior to the Final Approval and Fairness Hearing, the Settlement
13 Administrator will compile and deliver to Class Counsel and Defense Counsel a report with summary
14 information regarding: **(a)** the total amount of final Individual Settlement Amounts of each Class
15 Participant, without any identifying personal information; **(b)** the number of Class Participants to
16 receive such payments, and **(c)** the final number of Opt-Outs and objections.

17 Administrative Expenses are not anticipated to exceed \$20,000.00. Prior to the calculation and
18 distribution of the Individual Settlement Amounts, the Settlement Administrator shall calculate the
19 total Administrative Expenses through the conclusion of their services and such actual amount will be
20 deducted from the Gross Settlement Amount prior to the final calculation of the Individual Settlement
21 Amounts.

22 **7.2. NOTICE TO CLASS MEMBERS**

23 Notice shall be provided to Class Members in the following manner: Within fourteen (14) days
24 after the Preliminary Approval Date, Defendant shall provide the Settlement Administrator with an
25 updated list of Class Members and members of the PAGA Settlement Class containing names, social
26 security numbers, dates of employment, last-known addresses, and phone numbers (the "Database").
27 The Database shall be marked "Confidential – Settlement Administrator's Eyes Only." Class Counsel
28 shall not receive a copy of this list.

1 Within twenty-eight (28) days following the Preliminary Approval Date, the Settlement
2 Administrator shall determine the number of workweeks worked by each Class Member, populate the
3 data for each Class Member accordingly, and send each Class Member the Class Notice via first-class,
4 United States mail. The Class Notice shall also contain an easily-understood statement alerting the
5 Class Members that, unless they elect to Opt Out of the Class Settlement, the Class Member is releasing
6 and waiving all Released Claims against the Released Parties.

7 The Class Notice will inform Class Members of their estimated share of the settlement and the
8 number of workweeks they worked during the Class Period. Class Members may dispute their
9 workweeks if they believe they worked more weeks in the Class Period than Defendant's records show
10 by submitting information to the Settlement Administrator no later than sixty (60) days after being
11 mailed the Class Notice and Share Form by the Settlement Administrator, which is the defined
12 Response Deadline. The Settlement Administrator will jointly work with Plaintiff and Defendant to
13 resolve the dispute in good faith. If Plaintiff and Defendant cannot agree over the workweeks to be
14 credited, the Settlement Administrator shall make the final decision based on the information presented
15 by the Class Member and Defendant.

16 **7.3. OPT OUT PROCEDURE**

17 Class Members who do not timely Opt Out of the Class Settlement will be deemed to participate
18 in the Class Settlement and shall become Class Participants without having to submit a claim form or
19 take any other action. To Opt Out of the Class Settlement, the Class Member must submit a letter or
20 postcard to the Settlement Administrator by the Response Deadline. The Opt Out request must state
21 the Class Member's name, address, telephone number, and signature. The Opt Out request should state
22 something to the effect of:

23 "I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *MARTHA*
24 *SANCHEZ PADILLA V. CENTRAL IRRIGATION, INC.* LAWSUIT. I UNDERSTAND
25 THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL
26
27
28

1 NOT RECEIVE ANY MONEY FROM THE CLASS SETTLEMENT OF THIS
2 LAWSUIT AND WILL NOT BE RELEASING ANY CLAIMS I MIGHT HAVE.”

3 Any Opt Out request that is not postmarked by the Response Deadline will be invalid. If prior
4 to the Response Deadline any Class Notice mailed to a Class Member is returned as having been
5 undelivered by the United States Postal Service, the Settlement Administrator shall perform a skip trace
6 search and seek an address correction for such Class Members, and a second Class Notice will be sent
7 to any new or different address obtained. Such Class Members shall have an additional fourteen (14)
8 days from the date of the mailing of the second Class Notice in which to Opt Out, object, or dispute
9 the information provided in the Share Form if the Response Deadline would have otherwise passed
10 prior to fourteen (14) days from the date of the mailing of the second Class Notice.

11 It will be presumed that, if an envelope containing the Class Notice has not been returned within
12 thirty (30) days of the mailing, the Class Member received the Class Notice. At least twenty-one (21)
13 days prior to the Final Approval and Fairness Hearing, the Settlement Administrator shall provide Class
14 Counsel and Defense Counsel with a Declaration of Due Diligence and Proof of Mailing with regard
15 to the mailing of the Class Notice and its attempts to locate Class Members. The declaration shall
16 specify the number of Class Members to whom the Class Notice was sent and the number of Class
17 Members to whom the Class Notice was not delivered, as well as information relating to the number
18 of Opt-Outs and objectors. Class Counsel shall file this declaration with the Court.

19 If the Settlement Administrator determines that an Opt Out request returned by a Class Member
20 before the Response Deadline is deficient, then the Settlement Administrator shall mail a deficiency
21 letter to that Class Member identifying the problem. If a Class Member submits both a dispute and an
22 Opt Out request, the Settlement Administrator shall make reasonable attempts to clarify as if the Opt
23 Out request were deficient. If the Class Member fails to cure the deficiency, the Opt Out request shall
24 be disregarded and the claim will be paid, and the Class Member will become bound by the judgment.

25 Class Participants will be bound by the Release of Released Claims set forth in the definition
26 of “Released Claims” provided in this Settlement Agreement.
27
28

1 A request to Opt Out of the Class Settlement shall ***not*** serve to exclude the Class Member from
2 participation in the PAGA Settlement Class. Opt-Outs shall still be entitled to their share of the PAGA
3 Payment. Class Members who are also members of the PAGA Settlement Class shall have no right or
4 ability to opt out of the portion of this Settlement Agreement releasing PAGA claims.

5 **7.4. OBJECTION PROCEDURE**

6 The Class Notice shall inform the Class Members of their right to object to the Class Settlement
7 if they do not Opt Out. Any Class Participants who wish to object to the Class Settlement may submit
8 a written objection to the Settlement Administrator no later than the Response Deadline. Only Class
9 Participants may object to the Settlement. The objection should include the case name and number and
10 must set forth, in clear and concise terms, a statement of the reasons why the objector believes that the
11 Court should find that the proposed Class Settlement is not in the best interest of the Settlement Class
12 and the reasons why the Class Settlement should not be approved, including the legal and factual
13 arguments supporting the objection. If an objector also wishes to appear at the Final Approval and
14 Fairness Hearing, in person or through an attorney, they may do so. The Settlement Administrator will
15 promptly serve copies of any objection or notice of intention to appear on Class Counsel and Defense
16 Counsel. Class Members wishing to make an objection may appear at the Final Approval and Fairness
17 Hearing, either in person or through a lawyer retained at their own expense.

18 **7.5. NOTICE OF FINAL JUDGMENT**

19 Within seven (7) days after the Court has held a Final and Fairness Approval Hearing and
20 entered a final order certifying the Class for settlement purposes only and approving the Class
21 Settlement, the Settlement Administrator will give notice of judgment to Class Members pursuant to
22 rule 3.771(b) of the California Rules of Court, by posting a copy of said order and final judgment on
23 its website at a web address to be included in the Class Notice.

24 **8. CLASS SETTLEMENT FUNDING AND DISTRIBUTION**

25 **8.1. ALLOCATION OF THE GROSS SETTLEMENT AMOUNT**

26 The claims of all Class Members are settled for the Gross Settlement Amount of \$205,000.00,
27 which will be allocated as follows:

- 28 1. The Administrative Expenses, estimated not to exceed \$20,000.00;

2. Class Counsel's attorney fees not to exceed \$68,333.33;
3. Class Counsel's litigation costs and expenses not to exceed \$25,000.00;
4. The Incentive Award, not to exceed \$7,500.00; and
5. PAGA Payment to LWDA of \$15,000.00.

For purposes of calculating the estimated Individual Settlement Amounts, the Settlement Administrator shall calculate the estimated Net Settlement Amount based on the estimated values provided above prior to sending Notice to the Class Members. Prior to final distribution, the Settlement Administrator shall recalculate the final Net Settlement Amount based on the actual values of the amounts in each category.

8.2. CALCULATION OF THE INDIVIDUAL SETTLEMENT AMOUNTS FOR CLASS PARTICIPANTS

Individual Settlement Amounts to be paid to Class Participants shall be paid from the Net Settlement Amount. The portion of the Net Settlement Amount shall be distributed pro rata on a "checks cashed" basis based on the proportional number of weeks worked by each Class Member during the Class Period.

Defendant will provide the Settlement Administrator with any information reasonably necessary to perform the calculation of number of workweeks for each Class Member, and any other reasonably required information the Settlement Administrator requests to perform the calculations required under this Settlement Agreement. Defendant shall have no responsibility for deciding the validity of the Individual Settlement Amounts or any other payments made pursuant to this Settlement Agreement, shall have no involvement in or responsibility for the determination or payment of Employee's Taxes and Required Withholding, and shall have no liability for any errors made with respect to such Employee's Taxes and Required Withholding. Although the Settlement Administrator will calculate and pay the standard Employee's Taxes and Required Withholding on the portion of the Individual Settlement Amounts constituting wages on their behalf, Plaintiff and Class Participants represent and understand that they shall be solely responsible for any and all tax obligation associated with their respective Individual Settlement Amounts and Incentive Awards.

**8.3. CALCULATION OF THE PAYMENTS FOR INDIVIDUAL MEMBERS OF
THE PAGA SETTLEMENT CLASS**

Each member of the PAGA Settlement Class shall be entitled to receive a portion of the PAGA Payment. The PAGA Payment shall consist of the penalties pursuant to PAGA that the Parties have agreed is a reasonable sum to be paid in settlement of the PAGA claims included in the Action, which is \$20,000.00. The PAGA Payment is to be approved by the Court pursuant to Labor Code section 2699 and is to be distributed as follows: seventy-five percent (75%) (i.e., \$15,000.00) to the LWDA and twenty-five percent (25%) (i.e., \$5,000.00) to the PAGA Settlement Class.

The portion of the PAGA Payment allocated to the PAGA Settlement Class shall be distributed to the PAGA Settlement Class based on the pro rata number of pay periods worked by each particular PAGA Settlement Class member during the PAGA Period as a proportion of all pay periods worked by all PAGA Settlement Class members during the PAGA Period. Each member of the PAGA Settlement Class, including Plaintiff, shall be responsible for the payment of the Employee's Taxes and Required Withholding with respect to their share of the PAGA Payment and shall hold Defendant harmless from any and all liability with regard thereto.

Defendant will provide the Settlement Administrator with any information reasonably necessary to perform the calculation of number of pay periods worked for each PAGA Settlement Class member, and any other reasonably required information the Settlement Administrator requests to perform the calculations required under this Settlement Agreement. Defendant shall have no responsibility for deciding the validity of the individual payment amounts allocated to each member of the PAGA Settlement Class or any other payments made pursuant to this Settlement Agreement, shall have no involvement in or responsibility for the determination or payment of Employee's Taxes and Required Withholding, and shall have no liability for any errors made with respect to such Employee's Taxes and Required Withholding.

The members of the PAGA Settlement Class shall be solely responsible for any and all tax obligation associated with their respective shares of the PAGA Payment.

1 **8.4. TIME FOR PAYMENT OF ATTORNEY FEES AND EXPENSES**

2 The Settlement Administrator shall distribute to Class Counsel any attorney fees and expenses
3 approved by the Court no later than fourteen (14) days after the Effective Date.

4 **8.5. TIME FOR PAYMENT OF INCENTIVE AWARD**

5 The Settlement Administrator shall distribute to Plaintiff the Incentive Award approved by the
6 Court no later than fourteen (14) days after the Effective Date.

7 **8.6. TIME FOR PAYMENT OF PAGA PAYMENT TO THE LWDA**

8 The Settlement Administrator shall distribute to the LWDA the portion of the PAGA Payment
9 due to it and approved by the Court no later than fourteen (14) days after the Effective Date.

10 **8.7. TIME FOR PAYMENT OF TAXES AND REQUIRED WITHHOLDING AND**
11 **INDIVIDUAL SETTLEMENT AMOUNTS**

12 The Settlement Administrator shall make every effort to pay the Employee's Taxes and
13 Required Withholding associated with each Class Participant's Individual Settlement Amount and mail
14 the Individual Settlement Amount to each Class Participant, by first-class United States mail, to the
15 last-known address no later than fourteen (14) days after the Effective Date. If the Settlement
16 Administrator is not able to do so within the time period set forth above, it shall so inform Class Counsel
17 and Defense Counsel and provide an approximate date by which the Employee's Taxes and Required
18 Withholding shall be paid and the Individual Settlement Amounts will be mailed. Under no
19 circumstances shall the Settlement Administrator distribute checks to Class Participants until all
20 Individual Settlement Amounts have been considered, calculated, and accounted for, and all of the
21 remaining monetary obligations have been calculated and accounted for.

22 Within two hundred ten (210) days of mailing the Individual Settlement Amounts to Class
23 Participants, the Settlement Administrator shall file with the Court and provide to Class Counsel a
24 declaration of payment. If any Class Participant is deceased, payment shall be made payable to the
25 estate of that Class Member and delivered to the executor or administrator of that estate, unless the
26 Settlement Administrator has received an affidavit or declaration pursuant to California Probate Code
27 section 13101, in which case payment shall be made to the affiant(s) or declarant(s).
28

1 **8.8. NON-CASHED SETTLEMENT CHECKS**

2 Any funds associated with checks that have not been cashed within one hundred eighty (180)
3 days, will become void and the Individual Settlement Amount associated with the uncashed check will
4 be remitted pursuant to Code of Civil Procedure section 384 to Jessica's House
5 (<https://www.jessicashouse.org/>). Therefore, Defendant shall not be required to pay any interest on
6 said amount. For the purposes of determining whether Defendant has met their financial obligation to
7 pay the Individual Settlement Payment, Defendant will be deemed to have fulfilled its obligation upon
8 the mailing of the check to the Class Member, regardless of whether such Class Member subsequently
9 negotiates the check.

10 **8.9. DISPUTES REGARDING CLASS MEMBER WORKWEEKS DATA OR**
11 **PAYMENT OF INDIVIDUAL SETTLEMENT SHARES**

12 Class Member Workweeks and the corresponding Individual Settlement Amount shall be
13 calculated using the employment and payroll records of Defendant, which presumptively shall be
14 deemed to be full, complete, and accurate for purposes of this Settlement Agreement. To overcome
15 that presumption, any Class Member objecting to the accuracy of the number of Workweeks or amount
16 of the Individual Settlement Amount must submit documentary evidence, such as pay stubs or other
17 written employment records, to the Settlement Administrator. Each Class Member may dispute the
18 number of Workweeks or their estimated Individual Settlement Amount contained on their Class
19 Notice ("Workweeks Dispute"). Any such Workweeks Dispute must be mailed or faxed to the
20 Settlement Administrator by the Class Member, postmarked or fax-stamped on or before the Response
21 Deadline. The Settlement Administrator shall immediately provide copies of all disputes to counsel for
22 Defendant, shall inform Class Counsel of the dispute without disclosing the identity of the Class
23 Member making the dispute, and shall immediately attempt to resolve all such disputes directly with
24 relevant Class Members with the assistance of Defendant, Defense Counsel, and Class Counsel. If the
25 dispute cannot be resolved, it shall be submitted to the Settlement Administrator for its final, non-
26 appealable decision. The Settlement Administrator shall use its best efforts to resolve all such disputes
27 prior to the Effective Date. If, however, a dispute arises or is not resolved until after the Settlement
28 Amount has been distributed, the initial calculation shall stand (as Defendant shall be under no

1 obligation to pay any amounts in excess of the Gross Settlement Amount under this Settlement
2 Agreement).

3 **9. NULLIFICATION OF THIS SETTLEMENT AGREEMENT**

4 **9.1. NON-APPROVAL OF THIS SETTLEMENT AGREEMENT**

5 The Class Settlement and conditional class certification shall be considered null and void, and
6 neither the Class Settlement, conditional class certification, nor any of the related negotiations or
7 proceedings, shall be of any force or effect, and all Parties to the Class Settlement shall stand in the
8 same position, without prejudice, as if the Class Settlement had been neither entered into nor filed with
9 the Court, if any of the following occur: **(a)** the Court should for any reason fail to approve this
10 Settlement Agreement in the form agreed to by the Parties; **(b)** the Court should for any reason fail to
11 enter a judgment with prejudice of the Action, or **(c)** the approval of the Class Settlement and judgment
12 is reversed, modified, or declared or rendered void. Notwithstanding the foregoing, the Parties may
13 attempt in good faith to cure any perceived defects in this Settlement Agreement to facilitate approval.

14 **9.2. PARTIES' RIGHTS TO VOID CLASS SETTLEMENT; ESCALATOR**
15 **PROVISION**

16 11. If 10% or more members of the Settlement Class timely submit Opt Out requests,
17 Defendant(s) shall have the right (but not the obligation) to void the settlement described in this MOU.
18 If the number of workweeks worked by the Class Members is greater than 10% (i.e., more than 10,230),
19 then the GSA shall be increased at the rate of \$22.04 for each additional Workweek above the 10%
20 buffer, or Defendant shall have the option to end the Class Period and PAGA Period on an earlier date
21 to avoid paying any additional amounts.

22 **9.3. INVALIDATION**

23 Invalidation of any material portion of this Settlement Agreement shall invalidate the Class
24 Settlement in its entirety, unless the Parties subsequently agree in writing that the remaining provisions
25 of the Class Settlement are to remain in full force and effect.

26 **9.4. STAY ON APPEAL**

27 If a timely appeal from the approval of the Class Settlement and judgment, the judgment shall
28 be stayed, and Defendant shall not be obligated to fund the Gross Settlement Amount or take any other

actions required by this Settlement Agreement until all appeal rights have been exhausted by operation of law.

10. MOTIONS FOR COURT APPROVAL

10.1. SECOND AMENDED COMPLAINT

The Parties agree Plaintiff will file a Second Amended Complaint to assert sick leave claims and claims under IWC Wage Order No. 7 not presently asserted was for purposes of settlement only. If the Court does not grant preliminary and final approval of the Settlement, the Second Amended Complaint shall be deemed null and void, and the First Amended Complaint shall again be the operative pleading.

10.2. PRELIMINARY APPROVAL

As soon as practicable after execution of this Settlement Agreement, Class Counsel will submit this Settlement Agreement to the Court along with a Motion for Preliminary Approval of the Class Settlement. Each party shall cooperate to present the Class Settlement to the Court for preliminary approval in a timely fashion.

10.3. FINAL APPROVAL

The Final Approval and Fairness Hearing shall be held before the Court. At the Final Approval and Fairness Hearing, Plaintiff shall move the Court for the entry of the final order certifying the Settlement Class for settlement purposes only and approving the Class Settlement as being fair, reasonable, and adequate to the Class Participants within the meaning of California Rules of Court, Rule 3.769, subdivisions (c), (d) and (e), and for the entry of a final judgment of the Action consistent with the terms of the Class Settlement and rule 3.769, subdivision (h), of the California Rules of Court. Class Counsel and Defense Counsel shall submit to the Court such pleadings and/or evidence as may be required for the Court's determination.

11. RELEASES AND WAIVERS

11.1. RELEASE OF CLAIMS BY THE SETTLEMENT CLASS

Upon the Effective Date, the Releasing Parties shall be deemed to each release the Released Parties, and each of them, of and from any and all Released Claims arising during the Class Period. It is the desire of the Parties and the Releasing Parties to fully, finally, and forever settle, compromise,

1 and discharge the Released Claims. Each of the Releasing Parties, including each Class Participant,
 2 will be bound by the release of Released Claims as a result of the Class Settlement and to the terms of
 3 the final judgment and the satisfaction of such judgment.

4 Class Participants will be deemed to have acknowledged and agreed that their claims for wages
 5 and/or penalties in the Action are disputed, and that their Individual Settlement Amount constitutes
 6 payment of all sums allegedly due to them. Class Participants will be deemed to have acknowledged
 7 and agreed that California Labor Code section 206.5 is not applicable to the Individual Settlement
 8 Amount. That section provides in pertinent part as follows:

9 “An employer shall not require the execution of a release of a claim or right on account
 10 of wages due, or to become due, or made as an advance on wages to be earned, unless
 11 payment of those wages has been made.”
 12

13 **11.2. RELEASE OF CLAIMS BY PLAINTIFF**

14 Plaintiff, on behalf of herself and her dependents, heirs and assigns, beneficiaries, devisees,
 15 legatees, executors, administrators, agents, trustees, conservators, guardians, personal representatives,
 16 and successors-in-interest, whether individual, class, representative, legal, equitable, direct or indirect,
 17 or any other type or in any other capacity, shall and does hereby forever release, discharge and agree
 18 to hold harmless the Released Parties from any and all charges, complaints, claims, liabilities,
 19 obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights,
 20 demands, costs, losses, debts and expenses (including attorney fees and costs), known or unknown, at
 21 law or in equity, which she may now have or may have after the signing of this Settlement Agreement,
 22 arising out of or in any way connected with her employment with Defendant including, the Released
 23 Claims, claims that were asserted or could have been asserted in the Complaint, and any and all
 24 transactions, occurrences, or matters between the Parties occurring prior to the date this Settlement
 25 Agreement is fully executed. Without limiting the generality of the foregoing, this release shall include,
 26 but not be limited to, any and all claims under: **(a)** the Americans with Disabilities Act; **(b)** Title VII
 27 of the Civil Rights Act of 1964; **(c)** the Civil Rights Act of 1991; **(d)** 42 U.S.C. § 1981; **(e)** the Age
 28 Discrimination in Employment Act; **(f)** the Fair Labor Standards Act; **(g)** the Equal Pay Act; **(h)** the

1 Employee Retirement Income Security Act, as amended; **(i)** the Consolidated Omnibus Budget
2 Reconciliation Act; **(j)** the Rehabilitation Act of 1973; **(k)** the Family and Medical Leave Act; **(l)** the
3 Civil Rights Act of 1966; **(m)** the California Fair Employment and Housing Act; **(n)** the California
4 Constitution; **(o)** the California Labor Code; **(p)** the California Government Code; **(q)** the California
5 Civil Code; and **(r)** any and all other federal, state, and local statutes, ordinances, regulations, rules,
6 and other laws, and any and all claims based on constitutional, statutory, common law, or regulatory
7 grounds as well as any other claims based on theories of wrongful or constructive discharge, breach of
8 contract or implied contract, fraud, misrepresentation, promissory estoppel, or intentional infliction of
9 emotional distress, negligent infliction of emotional distress, or damages under any other federal, state,
10 or local statutes, ordinances, regulations, rules, or laws. This release is for any and all relief, no matter
11 how denominated, including, but not limited to, back pay, front pay, vacation pay, bonuses,
12 compensatory damages, tortious damages, liquidated damages, punitive damages, damages for pain
13 and suffering, and attorney fees and costs, and Plaintiff hereby forever releases, discharges and agrees
14 to hold harmless Defendant and the Released Parties from any and all claims for attorney fees and costs
15 arising out of the matters released in this Settlement Agreement.

16 Plaintiff specifically acknowledges that she is aware of and familiar with the provisions of
17 California Civil Code section 1542, which provides as follows:

18 “A general release does not extend to claims that the creditor or releasing party does not
19 know or suspect to exist in his or her favor at the time of executing the release and that,
20 if known by him or her, would have materially affected his or her settlement with the
21 debtor or released party.”
22

23 Plaintiff, being aware of California Civil Code section 1542, hereby expressly waives and
24 relinquishes all rights and benefits she may have under section 1542 as well as any other statutes or
25 common law principles of a similar effect. Plaintiff may hereafter discover facts in addition to or
26 different from those which she now knows or believes to be true with respect to the subject matter of
27 all the claims referenced herein, but agrees that, upon the Effective Date, Plaintiff shall and hereby
28 does fully, finally, and forever settle and release any and all claims against the Released Parties, known

1 or unknown, suspected or unsuspected, contingent or non-contingent, that were asserted or could have
 2 been asserted upon any theory of law or equity without regard to the subsequent discovery of existence
 3 of such different or additional facts.

4 **11.3. CIRCULAR 230 DISCLAIMER**

5 Each party to this Settlement Agreement (for purposes of this section, the “Acknowledging
 6 Party”; and each party to this Agreement other than the Acknowledging Party, an “Other Party”)
 7 acknowledges and agrees that **(1)** no provision of this Settlement Agreement, and no written
 8 communication or disclosure between or among the parties or their attorneys and other advisers, is or
 9 was intended to be, nor shall any such communication or disclosure constitute or be construed or be
 10 relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31
 11 C.F.R. Part 10); **(2)** the Acknowledging Party **(a)** has relied exclusively upon her or its own
 12 independent legal and tax advisers for advice (including tax advice) in connection with this Settlement
 13 Agreement, **(b)** has not entered into this Settlement Agreement based upon the recommendation of any
 14 other party or any attorney or advisor to any other party, and **(c)** is not entitled to rely upon any
 15 communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that
 16 may be imposed on the Acknowledging Party; and **(3)** no attorney or adviser to any other party has
 17 imposed any limitation that protects the confidentiality of any such attorney’s or adviser’s tax strategies
 18 (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party
 19 of the tax treatment or tax structure of any transaction, including any transaction contemplated by this
 20 Settlement Agreement.

21 **12. DUTIES OF THE PARTIES**

22 **12.1. MUTUAL FULL COOPERATION**

23 The Parties agree to cooperate fully with one another to accomplish and implement the terms
 24 of this Settlement Agreement. Such cooperation shall include, but not be limited to, execution of such
 25 other documents and the taking of such other actions as may reasonably be necessary to fulfill the terms
 26 of this Settlement Agreement. The Parties shall use their best efforts, including all efforts contemplated
 27 by this Settlement Agreement and any other efforts that may become necessary by court order or
 28 otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable

1 after execution of this Settlement Agreement, Class Counsel, with the cooperation of Defendant and
2 Defense Counsel, shall take all necessary and reasonable steps to secure the Court's final approval of
3 this Settlement Agreement.

4 **12.2. DUTY TO SUPPORT AND DEFEND THE CLASS SETTLEMENT**

5 The Parties agree to abide by all of the terms of this Settlement Agreement in good faith and to
6 support the Class Settlement fully and to use their best efforts to defend this Class Settlement from any
7 legal challenge, whether by appeal or collateral attack.

8 **12.3. DUTIES PRIOR TO COURT APPROVAL**

9 Class Counsel shall promptly submit this Settlement Agreement to the Court for preliminary
10 approval and determination by the Court as to its fairness, adequacy, and reasonableness. Promptly
11 upon execution of this Settlement Agreement, Class Counsel shall apply to the Court for the entry of a
12 preliminary order scheduling a hearing on the question of whether the proposed Class Settlement
13 should be approved as fair, reasonable, and adequate as to the Class Members, approving as to form
14 and content the proposed Class Notice and Share Form attached hereto as **Exhibit 1** and **Exhibit 2**,
15 respectively, and directing the mailing of the Class Notice to Class Members. While Defendant can
16 reserve its right to object to facts or assertions made in the moving papers, Defense Counsel shall file
17 a notice of non-opposition to the granting of the motion for preliminary approval or join in the motion.

18 **13. MISCELLANEOUS PROVISIONS**

19 **13.1. VOIDING THIS SETTLEMENT AGREEMENT**

20 Pending Court approval and other than as provided herein, if any of the conditions set forth in
21 this Settlement Agreement are not met and satisfied, this Settlement Agreement may, at the option of
22 either Plaintiff or Defendant, be ineffective, void, and of no further force and effect, and may not be
23 used or be admissible in any subsequent proceeding, either in this Court or in any other court or forum.
24 If either Party decides to void the Settlement Agreement, then the Settlement Agreement and
25 conditional class certification shall be considered void, and neither the Settlement Agreement,
26 conditional class certification, nor any of the related negotiations or proceedings, shall be of any force
27 or effect, and the Parties shall stand in the same position, without prejudice, as if this Settlement
28 Agreement had been neither entered into nor filed with the Court. Should any Party choose to void the

1 Class Settlement under this subsection, such Party shall be responsible for all Settlement Administrator
2 fees and costs actually incurred.

3 **13.2. DIFFERENT FACTS**

4 The Parties acknowledge that, except for matters expressly represented herein, the facts in
5 relation to the dispute and all claims released by the terms of this Settlement Agreement may turn out
6 to be different from the facts now known by each party and/or its counsel, or believed by such Party or
7 counsel to be true, and each Party therefore expressly assumes the risk of the existence of different or
8 presently unknown facts, and agrees that this Settlement Agreement shall be in all respects effective
9 and binding despite such difference.

10 **13.3. NO PRIOR ASSIGNMENTS**

11 The Parties represent, covenant, and warrant that they have not directly or indirectly assigned,
12 transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any
13 portion of any liability, claim, demand, action, cause of action, or right herein released and discharged
14 except as set forth herein.

15 **13.4. NON-ADMISSION**

16 Nothing in this Settlement Agreement shall be construed as or deemed to be an admission by
17 any Party of any liability, culpability, negligence, or wrongdoing toward any other Party, or any other
18 person, and the Parties specifically disclaim any liability, culpability, negligence, or wrongdoing
19 toward each other or any other person. Each of the Parties has entered into this Settlement Agreement
20 with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses,
21 and contingencies. Nothing herein shall constitute any admission by Defendant of wrongdoing or
22 liability, or of the truth of any factual allegations in the Action. Nothing herein shall constitute any
23 admission by Defendant regarding the merits of the Claims in this Action, including but not limited to
24 claims for unpaid wages or violations under California or federal law. Nothing herein shall constitute
25 an admission by Defendant that the Action was properly brought as a class or representative action
26 other than for settlement purposes. To the contrary, Defendant has denied and continues to deny each
27 and every material factual allegation and all Claims. To this end, the Class Settlement of the Action,
28 the negotiation and execution of this Settlement Agreement, and all acts performed or documents

1 executed pursuant to or in furtherance of this Settlement Agreement or the Class Settlement are not,
2 shall not be deemed to be, and may not be used as, an admission or evidence of any wrongdoing or
3 liability on the part of Defendant or of the truth of any of the factual allegations in the Complaint in the
4 Action; and are not, shall not be deemed to be, and may not be used as, an admission or evidence of
5 any fault or omission on the part of Defendant in any civil, criminal, or administrative proceeding in
6 any court, administrative agency, or other tribunal.

7 **13.5. NON-EVIDENTIARY USE**

8 Neither this Agreement nor any of its terms, nor any statements or conduct in the negotiation
9 or drafting of it, shall be offered or used as evidence by Plaintiff, any Class Member (including any
10 individual who requested to be excluded from the Settlement Class), Defendant, or its, her, his, or their
11 respective counsel, in the Action, except as is reasonably necessary to effectuate the Settlement
12 Agreement's purpose and terms. This Settlement Agreement may, however, be used by Defendant and
13 the Released Parties to prove or defend against any claim released herein by any Class Member in any
14 judicial, quasi-judicial, administrative, or governmental proceeding.

15 **13.6. MEDIA OR PRESS**

16 Plaintiff and Defendant, and their respective counsel, recognize, accept, and agree that the
17 Parties to this Settlement Agreement desire that the terms of this Settlement Agreement, the fact of the
18 Class Settlement embodied in this Settlement Agreement, the disposition of the Action, the Action, and
19 all matters relating to the litigation of the Action, including discovery proceedings therein, and evidence
20 obtained during the course of the Action, shall not be discussed with or presented to the media or press.

21 **13.7. NON-RETALIATION**

22 Defendant understands and acknowledges that it has a legal obligation to not retaliate against
23 any Class Member who elects to participate in the Class Settlement or elects to Opt Out of the Class
24 Settlement. Defendant will refer any inquiries regarding this Class Settlement to the Settlement
25 Administrator or Class Counsel and will not discourage Class Members who are employees, directly
26 or indirectly, from making claims, opting out, or objecting to the Class Settlement. None of the Parties,
27 or their respective attorneys or agents, shall solicit or encourage any Class Members, directly or
28 indirectly, to Opt Out of the Class Settlement.

1 **13.8. CONSTRUCTION**

2 The Parties agree that the terms and conditions of this Settlement Agreement are the result of
3 lengthy, intensive, arms-length, non-collusive negotiations between the Parties and that this Settlement
4 Agreement is not to be construed in favor of or against any party by reason of the extent to which any
5 party or its counsel participated in the drafting of this Settlement Agreement. If any of the dates in this
6 Settlement Agreement fall on a weekend, bank or court holiday, the time to act shall be extended to the
7 next business day.

8 **13.9. GOVERNING LAW**

9 This Settlement Agreement is intended to and shall be governed by the laws of the State of
10 California, without regard to conflict of law principles, in all respects, including execution,
11 interpretation, performance, and enforcement.

12 **13.10. NOTICES**

13 Except for Class Member notices required to be made by the Settlement Administrator, all
14 notices or other communications required or permitted under this Settlement Agreement shall be in
15 writing and shall be sufficiently given if delivered in person to the party or their counsel by U.S.
16 certified mail, postage prepaid, e-mail, facsimile, or overnight delivery addressed to the address of the
17 party appearing in this Settlement Agreement.

18 **13.11. CAPTIONS AND INTERPRETATIONS**

19 Section titles or captions contained herein are inserted as a matter of convenience and for
20 reference only and in no way define, limit, extend, or describe the scope of this Settlement Agreement
21 or any provision thereof.

22 **13.12. MODIFICATION**

23 This Settlement Agreement may not be changed, altered, or modified, except in writing signed
24 by the Parties or the Parties' counsel on their behalf. If preliminary or final approval of this Settlement
25 Agreement has been granted by the Court, then any such amendments or modifications to this
26 Settlement Agreement shall be approved by the Court. This Settlement Agreement may not be
27 discharged except by performance in accordance with its terms or by a writing signed by the Parties.
28

1 **13.13. INTEGRATION CLAUSE**

2 This Settlement Agreement contains the entire agreement between the Parties relating to the
3 Class Settlement of the Action and the transactions contemplated thereby, and all prior or
4 contemporaneous agreements, understandings, representations, and statements, whether oral or written,
5 and whether by a party or such party's legal counsel, are hereby superseded. No rights under this
6 Settlement Agreement may be waived except in writing as provided above.

7 **13.14. SUCCESSORS AND ASSIGNS**

8 This Settlement Agreement shall be binding on and inure to the benefit of the Parties and Class
9 Members (excluding only persons who timely Opt Out) and their respective present and former heirs,
10 trustees, executors, administrators, representatives, officers, directors, shareholders, agents, employees,
11 insurers, attorneys, accountants, auditors, advisors, consultants, pension plans, welfare benefit plans,
12 fiduciaries, parent companies, subsidiaries, affiliates, related companies, joint ventures, predecessors,
13 successors, and assigns.

14 **13.15. CORPORATE SIGNATORIES**

15 Any person executing this Settlement Agreement or any such related document on behalf of a
16 corporate signatory or on behalf of a partnership hereby warrants and promises, for the benefit of all
17 Parties hereto, that such person has been duly authorized by such corporation or partnership to execute
18 this Settlement Agreement or any such related document.

19 **13.16. EXECUTION IN COUNTERPARTS**

20 This Settlement Agreement shall become effective upon its execution by all of the undersigned.
21 The Parties may execute this Settlement Agreement in counterparts, and execution of counterparts shall
22 have the same force and effect as if all Settling Parties had signed the same instrument.

23 **13.17. ATTORNEY FEES, COSTS, AND EXPENSES**

24 Except as otherwise specifically provided for herein, each party shall bear her or its own
25 attorney fees, costs, and expenses, taxable or otherwise, incurred by them in or arising out of the Action
26 and shall not seek reimbursement thereof from any other party to this Settlement Agreement.
27
28

13.18. ACTION TO ENFORCE AGREEMENT

In any suit or court action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover her or its attorney fees and costs.

14. EXECUTION

The Parties and their counsel have executed this Settlement Agreement on the date below their signatures or the signature of their representatives. The date of this Settlement Agreement shall be the date of the latest signature.

APPROVAL AND EXECUTION BY PARTIES

CLASS REPRESENTATIVE:

Dated: 3/13/2025

Signed by:

3BEB591D68FE417
 Martha Sanchez Padilla
 Plaintiff and Class Representative

DEFENDANT:

Dated: _____

Central Irrigation, Inc.

By: _____

Title: _____

APPROVED AS TO FORM BY COUNSEL

CLASS COUNSEL:

Dated: March 14, 2025

Melmed Law Group P.C.



 Jonathan Melmed
 Attorneys for Plaintiff

1 **13.18. ACTION TO ENFORCE AGREEMENT**

2 In any suit or court action to enforce the terms of this Agreement, the prevailing party shall be
3 entitled to recover her or its attorney fees and costs.

4 **14. EXECUTION**

5 The Parties and their counsel have executed this Settlement Agreement on the date below their
6 signatures or the signature of their representatives. The date of this Settlement Agreement shall be the
7 date of the latest signature.

8 **APPROVAL AND EXECUTION BY PARTIES**

9 **CLASS REPRESENTATIVE:**

10
11 Dated: _____

Martha Sanchez Padilla
Plaintiff and Class Representative

12
13
14 **DEFENDANT:**

15 Dated: 3/18/2025

Central Irrigation, Inc.

17
18  _____

By: Keith Yamamoto

19 Title: CEO

20
21 **APPROVED AS TO FORM BY COUNSEL**

22 **CLASS COUNSEL:**

23
24 Dated: _____

Melmed Law Group P.C.

25
26 _____
Jonathan Melmed
27 Attorneys for Plaintiff
28

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DEFENDANT'S COUNSEL:

Dated: 3/18/2025

**Henderson Hatfield
A Professional Corporation**

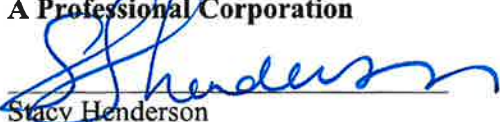

Stacy Henderson
Attorneys for Defendant

EXHIBIT 1

Notice of Proposed Class Action Settlement

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

MARTHA SANCHEZ PADILLA, an individual,
on behalf of herself, the State of California, as a
private attorney general, and on behalf of all
others similarly situated,

Plaintiff,

v.

CENTRAL IRRIGATION, INC., a California
corporation; and DOES 1 TO 50,

Defendants.

Case No.: MCV090815

Notice of Proposed Class Action Settlement

A court authorized this notice. This is not a solicitation from a lawyer.

1 **NOTICE OF PROPOSED CLASS ACTION SETTLEMENT**

2 *You may be eligible to receive a settlement payment. Please read this notice carefully.*

3 A proposed class action settlement agreement (the “Settlement”) has been reached between:
4 **(1)** Plaintiff Martha Sanchez Padilla (“Plaintiff”), individually and in her representative capacity on
5 behalf of a group of prospective class members defined below, and as a private attorney general on
6 behalf of the State of California; and **(2)** Defendant Central Irrigation, Inc. (“Defendant”). The
7 Settlement resolves disputed claims against Defendant arising out of its compensation practices during
8 the period from November 29, 2019, through May 30, 2024 (the “Class Period”) as applied to all
9 individuals who are or were employed by Defendants as non-exempt employees in California during
10 the Class Period (“Class Members”).

11 The Court has granted preliminary approval of the Settlement and ordered this notice to be sent
12 to you because you may be entitled to money under the Settlement and because the Settlement affects
13 your legal rights.

14 **NO ACTION NEEDS TO BE TAKEN TO RECEIVE MONEY UNDER THE**
15 **SETTLEMENT:** If you are a Class Member (as defined above) and received this notice, you are
16 automatically included in the Settlement and do not need to take any further action to receive a
17 payment. If you accept your settlement amount, you will release the claims described below.

18 **1. DESCRIPTION OF THE LAWSUIT**

19 Plaintiff, individually and in her representative capacity on behalf of the Class Members, and
20 as a private attorney general on behalf of the State of California, is pursuing a lawsuit against Defendant
21 in the Superior Court of the State of California for the County of Madera in the matter of ***Martha***
22 ***Sanchez Padilla v. Central Irrigation, Inc.***, case number **MCV090815** (the “Action”). The Action
23 sought recovery for Defendant’s alleged: **(1)** failure to pay minimum wage for all hours worked;
24 **(2)** failure to pay proper overtime wages; **(3)** failure to provide compliant rest periods and pay missed
25 rest break premiums; **(4)** failure to provide compliant meal periods and pay missed meal period
26 premiums; **(5)** failure to maintain accurate employment records; **(6)** failure to pay timely wages during
27 employment; **(7)** failure to pay all wages due and owing at separation; **(8)** failure to reimburse business
28 expenses; **(9)** failure to provide complete and accurate wage statements; **(10)** failure to maintain

1 accurate payroll and employment records; (11) failure to provide paid sick leave or pay paid sick leave
2 at the appropriate legal rate; (12) deceptive, fraudulent, or otherwise unlawful business practices based
3 on the foregoing in violation of California’s Unfair Competition Law; (13) statutory penalties based on
4 the foregoing pursuant to PAGA; and (14) all claims for liquidated damages, penalties, premiums,
5 interest, attorneys’ fee, expert and/or consultant fees and costs based on the foregoing.

6 **Defendant denies all liability, denies all allegations in the Action, and has raised various**
7 **defenses to the claims.** Defendant asserts that it fully complied with all applicable wage and hour laws,
8 and contends that civil penalties under PAGA are not warranted. Defendant also denies that the Action
9 is suitable for class certification. Defendant has entered into the Settlement solely for purposes of
10 resolving this dispute to avoid costly, disruptive, and time-consuming litigation and does not admit to
11 any wrongdoing or liability.

12 The Court has not ruled on the merits in the Action. By approving the Settlement and issuing
13 this notice, the Court is *not* suggesting which side would win or lose the case if it went to trial or
14 whether the claims are suitable for class certification. To avoid the additional expense, inconvenience,
15 and risk of continued litigation, however, Plaintiff and Defendant (the “Parties”) have concluded that
16 it is in their respective best interests and the interests of the Class Members to settle the Action on the
17 terms summarized in this notice. The Settlement was reached after Defendant provided extensive
18 information and documents to Plaintiff’s counsel, and after lengthy arms-length non-collusive
19 negotiations between the Parties, including mediation with an experienced and well-respected mediator
20 in California. In these negotiations, both sides recognized the substantial risk of the Court deciding
21 against them at trial and determined that the Settlement was a fair, reasonable, and adequate way to
22 resolve the disputed claims.

23 Plaintiff and Plaintiff’s counsel—Jonathan Melmed and Laura Supanich of Melmed Law Group
24 P.C. (“Class Counsel”)—support the Settlement. Among the reasons for support are the defenses to
25 liability potentially available to Defendant, the risk of denial of class certification, the inherent risk of
26 trial on the merits, and the delays and uncertainties associated with litigation. Plaintiff and Class
27 Counsel believe that the settlement described in this notice is fair, adequate, reasonable, and in the best
28 interests of Plaintiff and the Class Members.

1 Under the Settlement, the following settlement class will be certified under California law: *all*
2 *individuals who are or were employed by Defendants as non-exempt employees in California during*
3 *the Class Period*. The “Class Period” is defined as the period from November 29, 2019, through May
4 30, 2024. The Settlement provides for a gross settlement amount of \$205,000.00, a share of which is
5 to be distributed to the Class Members based on the pro rata number of weeks worked by the Class
6 Members during the Class Period as a proportion of all weeks worked by all Class Members. In
7 exchange for their share of the settlement amount, all participating Class Members will be deemed to
8 have released Defendant from liability on the terms described in this notice.

9 On [date of preliminary approval], the Court preliminarily approved the Settlement and
10 conditionally certified the settlement class. This notice is being sent to you because Defendant’s records
11 indicate that you worked for Defendant during the Class Period and that you meet the definition
12 required to be treated as a Class Member.

13 **2. IF YOU ARE STILL EMPLOYED BY DEFENDANT, THIS SETTLEMENT WILL**
14 **NOT AFFECT YOUR EMPLOYMENT.**

15 California law strictly prohibits retaliation. Further, Defendant is prohibited by law from taking
16 any adverse action against or otherwise target, retaliate, or discriminate against any Class Member
17 because of the Class Member’s participation or decision not to participate in the Settlement.

18 **3. TERMS OF THE SETTLEMENT**

19 Defendant has agreed to pay \$205,000.00 (the “Gross Settlement Amount”) to resolve the
20 claims in the Action. The Parties agreed to the following payments from the Gross Settlement Amount:

- 21 1. **Settlement Administration Costs.** The Court has approved Apex Class Action
22 Administration to act as the “Settlement Administrator,” who is sending this notice to
23 you and will perform many other duties relating to the Settlement. Under the Settlement,
24 up to \$20,000.00 will be paid from the Gross Settlement Amount to pay the Settlement
25 Administration Costs.
- 26 2. **Attorneys’ Fees and Expenses.** Class Counsel have been prosecuting the Action on
27 behalf of the Class Members on a contingency fee basis (that is, without being paid any
28 money to date) and have been paying all litigation costs and expenses. To date, the

Parties have aggressively litigated many aspects of the case including investigation, settlement efforts, and a full-day mediation session. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Gross Settlement Amount. Class Members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for fees of one-third of the Gross Settlement Amount (i.e., \$68,333.33) as reasonable compensation for the work Class Counsel performed and will continue to perform in the Action. Class Counsel also will ask for reimbursement of up to \$25,000.00 for the costs Class Counsel incurred in connection with the Action.

3. **Service Payment to Class Representative.** Class Counsel will ask the Court to provide a service payment to Plaintiff in the amount of \$7,500.00 for Martha Sanchez Padilla to compensate her for her efforts on behalf of the Class Members in the Action, including assisting in the investigation and consulting with Class Counsel and providing crucial documents to Class Counsel. Plaintiff also may receive a share of the Settlement as a Class Member.

4. **PAGA Payment.** The Parties have agreed on a reasonable sum to be paid in settlement of the PAGA claims included in the Action, which is \$20,000.00. The PAGA Payment is to be approved by the Court pursuant to Labor Code section 2699 and is to be distributed as follows: seventy-five percent (75%) (i.e., \$15,000.00) to the LWDA and twenty-five percent (25%) (i.e., \$5,000.00) to the individuals who come within the definition of an "aggrieved employee" for the purposes of the Settlement (i.e., all individuals who are or were employed by Defendants as non-exempt employees in California during the PAGA Period). The "PAGA Period" is defined for these purposes to mean the period from November 29, 2022 through May 30, 2024.

After deducting the amounts above, the balance of the settlement amount will form the "Net Settlement Amount" for distribution to the Class Members.

1 **4. DISTRIBUTION OF THE SETTLEMENT TO THE CLASS MEMBERS**

2 Each eligible Class Member who does not request exclusion from the Settlement will be deemed
3 a “Class Participant” and will receive a share from the Net Settlement Amount which will be distributed
4 pro rata based on the proportional number of weeks worked by each Class Member during the Class
5 Period (the “Individual Settlement Amount”). If any Class Member requests exclusion from the
6 Settlement, his or her share will be distributed to the remaining Class Participants.

7 Ten percent (10%) of each Individual Settlement Amount will constitute payment in the form
8 of wages (and each Class Participant will be issued an IRS Form W-2 for such payment to him or her),
9 and Ninety percent (90%) of each Individual Settlement Amount will constitute penalties and interest
10 (and each Class Participant will be issued an IRS Form 1099 for such payment to him or her).

11 Defendant, or its proxies, shall take all usual and customary deductions from the Individual
12 Settlement Amount payments that are distributed as wages, including, but not limited to, state and
13 federal tax withholding, disability premiums, and unemployment insurance premiums. There will be
14 no deduction taken from the interest or penalty distribution—it will, however, be reported on IRS Form
15 1099 as income. Class Participants are responsible for the proper income tax treatment of their
16 Individual Settlement Amount. The Settlement Administrator, Defendant and its counsel, and Class
17 Counsel cannot provide tax advice. Accordingly, Class Members should consult with their tax advisors
18 concerning the tax consequences and treatment of payments they receive under the Settlement.

19 The workweeks you worked for Defendant during the Class Period will be calculated based on
20 Defendant’s records. If you feel that you were not credited with the correct number of workweeks
21 worked during the Class Period, you may submit evidence to the Settlement Administrator on or before
22 [Response Deadline] with documentation to establish the number of workweeks you claim to have
23 actually worked during the Class Period. **Documentation sent to the Settlement Administrator will**
24 **not be returned or preserved, so do not send originals.** The Parties and the Settlement Administrator
25 will promptly evaluate the evidence submitted and discuss in good faith how many workweeks should
26 be credited. The Settlement Administrator will make the final decision as to how many weeks are
27 credited and report the outcome to the Class Participant. If you are unsatisfied with the decision, you
28 may submit an objection, which is explained below.

Settlement checks will be mailed to all Class Participants after the Court grants final approval of the Settlement and judgment is entered.

5. THE RELEASE OF CLAIMS

If the Court approves the Settlement, the Court will enter judgment and the Settlement will bind all Class Participants. The Class Participants will then be barred from bringing any “Released Claims” against the “Released Parties” as those terms are defined below.

The “Released Parties” are Defendant and all of its past, present and future subsidiaries, dbas, parents, divisions, related entities, joint venturers, and any other entities that could be considered to have jointly employed the Settlement Class Members and/or PAGA Settlement Class Members, as well as each of their respective owners, co-employers, joint employers, agents, officers, directors, stockholders, shareholders, investors, members, principals, subsidiaries, affiliates, partners, predecessors, successors, assigns, insurers, reinsurers, employees, attorneys, agents, heirs, estates, executors, spouses, associates, representatives, administrators, fiduciaries, trustees, accountants, auditors, company-sponsored employee benefit plans of any nature, and all other legal entities affiliated with the foregoing..

The “Released Claims” are all claims, demands and liabilities under State, Federal and/or local law that were alleged, that could have been alleged and/or which arise out of, are attributable to and/or relate to the allegations set forth in the operative complaint and/or PAGA notice to the California Labor and Workforce Development Agency that arose during the Class Period and/or PAGA Period, including, but not limited to, claims for: **(1)** failure to pay minimum wage at the appropriate legal rate for all hours worked in violation of Labor Code sections 1194 and 1194.2, and the applicable IWC Wage Order(s); **(2)** failure to pay proper overtime wages at the appropriate legal rate in violation of Labor Code sections 510, 1197, and 1198, and the applicable IWC Wage Order(s); **(3)** failure to provide compliant rest periods and/or pay missed rest break premiums in violation of Labor Code section 226.7 and the applicable IWC Wage Order(s); **(4)** failure to provide compliant meal periods and/or pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the applicable IWC Wage Order(s); **(5)** failure to maintain accurate employment records in violation of Labor Code section 1174; **(6)** failure to pay timely wages during employment in violation of Labor Code sections 204, 210; **(7)** failure to pay all wages due and owing at separation in violation of Labor Code sections

201, 202, and 203; **(8)** failure to reimburse business expenses in violation of Labor Code sections 2802 and 2804; **(9)** failure to provide accurate itemized wage statements (based on both direct and derivative theories of liability); **(10)** failure to maintain accurate payroll and employment records; **(11)** failure to provide paid sick leave or pay paid sick leave at the appropriate legal rate; **(12)** deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California’s Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); **(13)** statutory penalties based on the foregoing pursuant to PAGA (Lab. Code, §§ 2698-2699.6); and **(14)** all claims for liquidated damages, penalties, premiums, interest, attorneys’ fees, expert and/or consultant fees and costs based on the foregoing. No other claims are released other than those claims specifically plead in the operative complaint in the Action.

Class Members who do not request exclusion from the Settlement will be deemed to have acknowledged and agreed that their claims for wages and penalties in the Action are disputed, and that the Settlement payments constitute payment of all sums allegedly due to them. Class Members will be deemed to have acknowledged and agreed that California Labor Code section 206.5 is not applicable to the Settlement payments. That section provides in pertinent part as follows:

“An employer shall not require the execution of a release of a claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made.”

6. YOUR OPTIONS

6.1. DO NOTHING AND RECEIVE YOUR PORTION OF THE SETTLEMENT

If you do nothing, you will be automatically included as a Class Participant in the Settlement and will receive a settlement payment. You do *not* have to take any further action to receive your settlement payment. It is, however, the responsibility of all Class Members to ensure that the Settlement Administrator has your current address on file, or you may not receive important information or a settlement payment. The estimated amount of your settlement payment if you do nothing is included on the attached *Class Action Settlement Share Form*.

6.2. REQUEST EXCLUSION FROM THE CLASS AND THE SETTLEMENT

If you do *not* wish to take part in the class action portion of the Settlement (the “Class Settlement”), you may exclude yourself (i.e., opt out of the Class Settlement) by sending the Settlement Administrator a letter or card postmarked no later than [Response Deadline] that specifically requests exclusion from the Class Settlement in this case. The request for exclusion must include your name, address, telephone number, and signature, and it should state:

“I wish to be excluded from the settlement class in the case of *Martha Sanchez Padilla v. Central Irrigation, Inc.*. I understand that if I ask to be excluded from the settlement class, I will not receive any money from the settlement of this lawsuit and will not be releasing any claims I might have.”

Send the request for exclusion directly to the Settlement Administrator at the following address by no later than [Response Deadline]:

[Insert Settlement Administrator Address]

Any person who submits a timely request for exclusion from the Class Settlement shall, upon receipt, no longer be a Class Member, shall be barred from participating in the Class Settlement, and shall receive no benefits from the class action portion of the Settlement. If you want confirmation of receipt of your request for exclusion, please send it by United States certified mail, return receipt requested, or contact the Settlement Administrator.

Importantly, Class Members who timely and validly request exclusion from the Class Settlement will *not* be excluded from their share of the PAGA Payment. Requesting exclusion from the Class Settlement applies solely to the Class Members’ entitlement to the class action portion of the Settlement and not their entitlement to the PAGA Payment. If you request exclusion from the Class Settlement you will still be entitled to your share, if any, of the PAGA Payment.

6.3. OBJECT TO THE SETTLEMENT

You have the right to object to the terms of the Settlement if you do not request exclusion. If, however, the Court rejects your objection, you will still be bound by the terms of the Settlement. If you

1 wish to object to the Settlement, or any portion of it, you may file with the Settlement Administrator
2 and the Court a written objection stating your name, address, telephone number, dates of employment
3 with Defendant, the case name and number, each specific reason in support of your objection, and any
4 legal support for each objection. Objections in writing must be mailed to the Settlement
5 Administrator—[Insert Settlement Administrator Address]—by no later than [Response Deadline] to
6 be considered. **Objections that do not include all required information, or that are not timely
7 submitted, might not be considered by the court.**

8 If you choose to object to the Settlement, you may also appear to speak at the final approval
9 and fairness hearing scheduled for [Final Approval Hearing Date], at [Final Approval Hearing Time]
10 in Department [Court Department] of the Superior Court of the State of California for the County of
11 Madera, located at [Court Location]. You have the right to appear either in person or through your own
12 attorney at this hearing.

13 If you object to the Settlement, you will remain a Class Member, and if the Court approves the
14 Settlement, you will receive payment and be bound by the terms of the Settlement in the same way as
15 Class Members who do not object. Any Class Member who does not object in the manner provided
16 above shall have waived any objection to the Settlement, whether by appeal or otherwise.

17 The Court may, at the time of the final approval and fairness hearing, have certain social
18 distancing requirements or procedures for attendance at hearings. If you wish to object to the Settlement
19 by speaking at the final approval and fairness hearing, you may contact Class Counsel, whose
20 information is provided below, for more information about the Court's current social distancing
21 procedures. You may also review the Court's website for the most current information.

22 **7. HOW TO UPDATE OR CHANGE YOUR ADDRESS**

23 If you move after receiving this notice or if it was misaddressed, please contact the Settlement
24 Administrator, [Settlement Administrator], at [Settlement Administrator Phone] or by email at
25 [Settlement Administrator Email], as soon as possible. **This is important to ensure that future notices
26 and/or the Settlement payment reach you.**

1 **8. NOTICE OF FINAL JUDGMENT IF THE SETTLEMENT IS APPROVED**

2 Within seven (7) days after the Court has held a final and fairness approval hearing and entered
3 a final order approving the Settlement, if it chooses to do so, the Settlement Administrator will post a
4 copy of that order and final judgment on its website at the following website address:

5 **[Case-Specific Settlement URL (to be added by Settlement Administrator)]**

6 **9. IF THE SETTLEMENT IS NOT APPROVED**

7 If the Settlement is not approved by the Court, or if any of its conditions are not satisfied, the
8 Settlement may be voided, in which case no money will be paid, and the case will return to litigation.
9 If that happens, there is no assurance: **(1)** that the class will be certified by the Court; **(2)** that any
10 decision at trial would be in favor of Class Members; **(3)** that a trial decision, if any, would be as
11 favorable to the Class Members as the Settlement; or **(4)** that any favorable trial decision would be
12 upheld if an appeal was filed.

13 **10. QUESTIONS OR COMMENTS**

14 **PLEASE DO NOT CALL OR CONTACT THE COURT.** If you have any questions about
15 the settlement, you may contact the Settlement Administrator at: **[Settlement Administrator Phone]** or
16 by e-mail at **[Settlement Administrator Email]**. You may also contact Class Counsel at the addresses
17 or phone numbers listed below.
18

19 **Lawyers Representing Plaintiff and the Class Members**

20 **MELMED LAW GROUP P.C.**

21 Jonathan Melmed

22 jm@melmedlaw.com

23 Laura Supanich

24 lms@melmedlaw.com

25 1801 Century Park East, Suite 850

26 Los Angeles, California 90067

27 Phone: (310) 824-3828

28 Fax: (310) 862-6851

EXHIBIT 2

Class Action Settlement Share Form

CLASS ACTION SETTLEMENT SHARE FORM

Martha Sanchez Padilla v. Central Irrigation, Inc.

Case Number MCV090815

Superior Court of the State of California for the County of Madera

The proposed class action settlement agreement (the “Settlement”) described in the accompanying *Notice of Proposed Class Action Settlement* resolves disputed claims against Defendant Central Irrigation, Inc. (“Defendant”) arising out of its compensation practices during the period from November 29, 2019, through May 30, 2024 (the “Class Period”) as applied to all individuals who are or were employed by Defendants as non-exempt employees in California during the Class Period (“Class Members”).

You are receiving this form because you are believed to be a Class Member. **According to Defendant’s records, you worked [REDACTED] workweeks for Defendant during the Class Period. Accordingly, your share of the Settlement is currently estimated to be \$[REDACTED],** which is an estimate of your allocated portion the Net Settlement Amount, as that term is defined in the accompanying *Notice of Proposed Class Action Settlement*. Your estimated share of the Settlement may increase depending on factors such as, but not limited to, the number of Class Members who effectively exclude themselves from the Settlement.

You do not need to do anything to receive money under the Settlement.

If you believe the information provided above as to the number of your workweeks is incorrect and wish to dispute it, please contact the Settlement Administrator no later than **[Response Deadline]** at:

[Settlement Administrator Contact Information]

If you dispute the information stated above, the information Defendant provided to the Settlement Administrator will control unless you are able to provide documentation that establishes otherwise. Any disputes, along with supporting documentation, must be postmarked no later than **[Response Deadline]**.

Do not send originals; documentation sent to the claims administrator will not be returned or preserved.

EXHIBIT B

November 29, 2023

Filed via the LWDA's PAGA Claim Notice Online Form

Copies Sent via Certified U.S. Mail to:

Human Resources
Central Irrigation, Inc.
2941 S. State Highway 59
Merced, CA 95341

Central Irrigation, Inc.
c/o Keith R. Yamamoto
2941 S. State Highway 59
Merced, CA 95341

Re: *Martha Sanchez Padilla v. Central Irrigation, Inc.*
Notice of Intent to File Suit Pursuant to California Labor Code
Section 2699

To Whom It May Concern:

This office represents Martha Sanchez Padilla ("Plaintiff") and a group of the putative class members in a forthcoming lawsuit against Central Irrigation, Inc. ("Defendant"). The action, entitled *Martha Sanchez Padilla v. Central Irrigation, Inc.*, is to be filed in the Superior Court of the State of California for the County of Madera (the "Action"). A copy of the complaint as currently drafted, and as is intended to be filed in the Action, is enclosed as **Exhibit A**. This letter incorporates by reference the facts, law, and allegations of Exhibit A.

This letter serves as notice pursuant to the California Labor Code Private Attorneys General Act of 2004 ("PAGA"), codified at California Labor Code sections 2698 through 2699.6, that we intend to include representative claims in the Action for civil penalties under PAGA on behalf of a group of aggrieved employees. For the purposes of this letter, "Aggrieved Employees" is defined as: *All individuals who are or were employed by Defendant(s) as non-exempt employees in California, from one year prior to the mailing of this notice through the date of trial.*

As set forth in more detail in Exhibit A, Defendant violated its obligations to Plaintiff and the Aggrieved Employees under California law by: failing to pay minimum wages for all hours worked, failing to pay all overtime wages earned, failing to provide lawful rest periods and pay missed rest period premiums, failing to provide lawful meal periods and pay missed meal period premiums, failing to maintain accurate records, failing to reimburse all necessary business expenses, failing to provide accurate and complete wage statements, failing to pay all wages in full and on time during employment, and failing to pay all wages due upon termination.

Notice of Intent to File PAGA Action

November 29, 2023

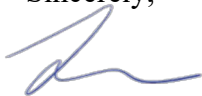
Page 2 of 2

Because of these systemic violations, Defendant violated: Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 256, 510, 512, 1174, 1174.5, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802, 2084, and California Industrial Welfare Commission Wage Orders Wage Order 14-2001, and others that may be applicable. (Cal. Code of Regs., tit. 8, § 11140.) The enclosed Complaint further details: **(1)** the alleged violations; **(2)** the facts and theories supporting these violations; **(3)** the people and entities, dates, classifications, violations, events, and actions at issue; and **(4)** the illegal practices instituted by Defendant.

Together with this correspondence, the enclosed complaint provides notice that we intend to proceed with a claim for civil penalties in the Action pursuant to PAGA. (See Lab. Code, §§ 2698–2699.6.) We intend to fully prosecute the representative claims alleged in the complaint, including by obtaining civil penalties under PAGA.

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jonathan Melmed', with a stylized flourish at the end.

JONATHAN MELMED

Enclosure

EXHIBIT “A”

MELMED LAW GROUP P.C.
Jonathan Melmed (SBN 290218)
jm@melmedlaw.com
Laura Supanich (SBN 314805)
lms@melmedlaw.com
Michiko Vartanian (SBN 323979)
mv@melmedlaw.com
1801 Century Park East, Suite 850
Los Angeles, California 90067
Phone: (310) 824-3828
Fax: (310) 862-6851

Attorneys for Plaintiff and the Putative Class

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

MARTHA SANCHEZ PADILLA, an individual,
on behalf of herself and all others similarly
situated,

Plaintiff,

v.

CENTRAL IRRIGATION, INC., a California
corporation; and DOES 1 TO 50,

Defendants.

Case Number:

Class Action Complaint For:

1. Failure to Pay All Minimum Wages,
2. Failure to Pay All Overtime Wages,
3. Failure to Provide Rest Periods and Pay Missed Rest Period Premiums,
4. Failure to Provide Meal Periods and Pay Missed Meal Period Premiums,
5. Failure to Maintain Accurate Employment Records,
6. Failure to Pay Wages Timely during Employment,
7. Failure to Pay All Wages Earned and Unpaid at Separation,
8. Failure to Indemnify All Necessary Business Expenditures,
9. Failure to Furnish Accurate Itemized Wage Statements, and

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10. Violations of California’s Unfair
Competition Law (Bus. & Prof. Code, §§
17200–17210).

Demand for Jury Trial

1 Plaintiff Martha Sanchez Padilla (“Plaintiff”), on behalf of herself and all other similarly
2 situated employees within the State of California, complains and alleges of defendants Central
3 Irrigation, Inc. and Does 1 to 50 (collectively, “Defendants”), and each of them, as follows:

4 **I. INTRODUCTION**

5 1. This is a class action complaint brought pursuant to California Code of Civil Procedure
6 section 382.

7 2. The “Class Period” as used herein, is defined as the period from four years prior to the
8 filing of this action and continuing into the present and ongoing. Defendants’ violations of California’s
9 laws as described more fully below have been ongoing throughout the Class Period and are still
10 ongoing.

11 3. Plaintiff brings this class action on behalf of herself and the following class: *All*
12 *individuals who are or were employed by Defendants as non-exempt employees in California during*
13 *the Class Period* (the “Class Members”). (Code Civ. Proc., § 382.)

14 4. Plaintiff brings this action on behalf of herself and the Class Members, as a class action,
15 against Defendants for:

- 16 A. Failure to pay all minimum wages,
- 17 B. Failure to pay all overtime wages,
- 18 C. Failure to provide rest periods and pay missed rest period premiums,
- 19 D. Failure to provide meal periods and pay missed meal period premiums,
- 20 E. Failure to maintain accurate employment records,
- 21 F. Failure to pay wages timely during employment,
- 22 G. Failure to pay all wages earned and unpaid at separation,
- 23 H. Failure to indemnify all necessary business expenditures,
- 24 I. Failure to furnish accurate itemized wage statements, and
- 25 J. Violations of California’s Unfair Competition Law (“UCL”) (Bus. & Prof.
26 Code, §§ 17200–17210).

27 5. Plaintiff is informed and believes and thereon alleges that the California Industrial
28 Welfare Commission (“IWC”) Wage Order applicable to the facts of this case is IWC Wage Order 14-

2001 (the “Applicable Wage Order”) and possibly others that may be applicable. (Cal. Code of Regs., tit. 8, § 11140.) Plaintiff reserves the right to amend or modify the definition of “Applicable Wage Order” with greater specificity or add additional IWC Wage Orders if additional applicable wage orders are discovered in litigation.

II. JURISDICTION & VENUE

6. This Court has subject matter jurisdiction over all causes of action asserted herein pursuant to Article VI, section 10, of the California Constitution and Code of Civil Procedure section 410.10 because this is a civil action in which the matter in controversy, exclusive of interest, exceeds \$25,000, and because each cause of action asserted arises under the laws of the State of California or is subject to adjudication in the courts of the State of California.

7. This Court has personal jurisdiction over Defendants because Defendants have caused injuries in the County of Madera and the State of California through their acts, and by their violation of the California Labor Code and California state common law. Defendants transact millions of dollars of business within the State of California. Defendants own, maintain offices, transact business, have an agent or agents within the County of Madera, and/or otherwise are found within the County of Madera, and Defendants are within the jurisdiction of this Court for purposes of service of process.

8. Venue as to Defendants is proper in this judicial district, pursuant to section 395 of the Code of Civil Procedure. Defendants operate within California and do business within Madera County, California. The unlawful acts alleged herein have a direct effect on Plaintiff and all of Defendants’ employees identified above within Madera County and surrounding counties where Defendants may remotely operate.

9. This matter is not appropriate for removal under the Class Action Fairness Act (28 U.S.C. § 1332) as the amount in controversy for Plaintiff’s and the Class Members’ claims, in aggregate, is less than \$5 million. Additionally, all the allegations herein occurred in the State of California. As such, even if the amount in controversy did exceed \$5 million this matter would still not be appropriate for removal under the “local controversy” exception to the Class Action Fairness Act. (28 U.S.C. § 1332, subd. (d)(4)(A).)

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1 **III. THE PARTIES**

2 **A. PLAINTIFF**

3 10. At all relevant times, Plaintiff, who is over the age of 18, was and currently is a citizen
4 of California residing in the State of California. Defendants employed Plaintiff as a non-exempt hourly
5 employee.

6 11. Plaintiff brings this action on behalf of herself and the following class pursuant to
7 section 382 of the Code of Civil Procedure as follows: *All individuals who are or were employed by*
8 *Defendants as non-exempt employees in California during the Class Period* (the “Class Members”).

9 12. The Class Members, at all times pertinent hereto, are or were employees of Defendants
10 during the relevant statutory period.

11 **B. DEFENDANTS**

12 13. Plaintiff is informed and believes and thereon alleges that Defendants were authorized
13 to and doing business in Madera County and is and/or was the legal employer of Plaintiff and the other
14 Class Members during the applicable statutory periods. Plaintiff and the other Class Members were,
15 and are, subject to Defendants’ policies and/or practices complained of herein and have been deprived
16 of the rights guaranteed to them by: California Labor Code sections 201, 202, 203, 204, 210, 226,
17 226.3, 226.7, 256, 510, 512, 1174, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802, 2804,
18 and others that may be applicable; California Business and Professions Code sections 17200 through
19 17210 (“UCL”); and the Applicable Wage Order (Cal. Code of Regs., tit. 8, § 11140).

20 14. Plaintiff is informed and believes, and based thereon alleges, that during the Class
21 Period, Defendants did (and continue to do) business in the State of California, County of Madera.

22 15. Plaintiff does not know the true names or capacities, whether individual, partner, or
23 corporate, of the defendants sued herein as Does 1 to 50, inclusive, and for that reason, said defendants
24 are sued under such fictitious names, and Plaintiff will seek leave from this Court to amend this
25 complaint when such true names and capacities are discovered. Plaintiff is informed, and believes, and
26 thereon alleges, that each of said fictitious defendants, whether individual, partners, or corporate, were
27 responsible in some manner for the acts and omissions alleged herein, and proximately caused Plaintiff
28 and the other Class Members to be subject to the unlawful employment practices, wrongs, injuries, and

1 damages complained of herein.

2 16. Plaintiff is informed, and believes, and thereon alleges, that at all times mentioned
3 herein, Defendants were and/or are the employers of Plaintiff and the other Class Members. At all times
4 herein mentioned, each of said Defendants participated in the doing of the acts hereinafter alleged to
5 have been done by the named Defendants. Furthermore, the Defendants, and each of them, were the
6 agents, servants, and employees of each and every one of the other Defendants, as well as the agents
7 of all Defendants, and at all times herein mentioned were acting within the course and scope of said
8 agency and employment. Defendants, and each of them, approved of, condoned, or otherwise ratified
9 every one of the acts or omissions complained of herein.

10 17. At all relevant times, Defendants, and each of them, were members of and engaged in a
11 joint venture, partnership, and common enterprise, and acting within the course and scope of and in
12 pursuance of said joint venture, partnership, and common enterprise. Further, Plaintiff is informed, and
13 believes, and thereon alleges, that all Defendants were joint employers for all purposes of Plaintiff and
14 the other Class Members.

15 **IV. COMMON FACTS & ALLEGATIONS**

16 18. Plaintiff and the other Class Members (collectively, the “Class Members”) are, and were
17 at all relevant times, employed by the Defendants within the State of California.

18 19. The Class Members are, and were, at all relevant times, non-exempt employees for the
19 purposes of minimum wages, overtime, rest breaks, meal periods, and the other claims alleged in this
20 complaint.

21 20. Specifically, Plaintiff was employed by Defendants within the statutory Class Period,
22 working as an hourly, non-exempt clerk/cashier for Defendants.

23 **A. MINIMUM WAGE VIOLATIONS**

24 21. Labor Code section 1197 requires employees to be paid at least the minimum wage fixed
25 by the IWC, and any payment of less than the minimum wage is unlawful. Similarly, Labor Code
26 section 1194 entitles “any employee receiving less than the legal minimum wage . . . to recover in a
27 civil action the unpaid balance of the full amount of this minimum wage.” Likewise, the Applicable
28 Wage Order also obligates employers to pay each employee minimum wages for all hours worked.

1 (Cal. Code of Regs., tit. 8, § 11140.) Labor Code section 1198 makes unlawful the employment of an
2 employee under conditions that the IWC Wage Orders prohibit.

3 22. These minimum wage standards apply to each hour that employees work. Therefore, an
4 employer's failure to pay for any particular time worked by an employee is unlawful, even if averaging
5 an employee's total pay over all hours worked, paid or not, results in an average hourly wage above
6 minimum wage. (*Armenta v. Osmose, Inc.* (2005) 135 Cal.App.4th 314, 324.)

7 23. Here, Defendants failed to fully conform their pay practices to the requirements of the
8 law during the relevant statutory periods. The Class Members were not compensated for all hours
9 worked including, but not limited to, all hours they were subject to the control of Defendants and/or
10 suffered or permitted to work under the California Labor Code and the Applicable Wage Order. Among
11 other violations, the Class Members were subject to the control of Defendants while off-the-clock and
12 did not receive minimum wage for each hour worked.

13 24. Labor Code sections 1194, subdivision (a), and 1194.2, subdivision (a), provide that an
14 employer who has failed to pay its employees the legal minimum wage is liable to pay those employees
15 the unpaid balance of the unpaid wages as well as liquidated damages in an amount equal to the wages
16 due and interest thereon.

17 25. When employees, such as the Class Members, are not paid for all hours worked under
18 Labor Code section 1194, they are entitled to recover minimum wages for the time which they received
19 no compensation. (See *Sillah v. Command International Security Services* (N.D. Cal. 2015) 154
20 F.Supp.3d 891 [employees suing for failure to pay overtime could recover liquidated damages under
21 Labor Code section 1194.2 if they also showed they were paid less than minimum wage].)

22 26. Labor Code section 1197.1 authorizes employees who are paid less than the minimum
23 wage fixed by an applicable state or local law, or by an order of the IWC, a civil penalty, among other
24 damages, as follows:

- 25 (1) "For any initial violation that is intentionally committed, one hundred
26 dollars (\$100) for each underpaid employee for each pay period for
27 which the employee is underpaid."

28 ///

1 (2) “For each subsequent violation for the same specific offense, two
2 hundred fifty dollars (\$250) for each underpaid employee for each pay
3 period for which the employee is underpaid regardless of whether the
4 initial violation is intentionally committed.” (Lab. Code, § 1197.1, subd.
5 (a).)

6 27. As set forth above, Defendants failed to fully compensate the Class Members for all
7 minimum wages. Accordingly, the Class Members are entitled to recover liquidated damages for
8 violations of Labor Code section 1197.1.

9 28. Based upon these same factual allegations, the Class Members are likewise entitled to
10 penalties under Labor Code sections 1199.

11 **B. OVERTIME VIOLATIONS**

12 29. Labor Code section 510 requires employers to compensate employees who work more
13 than eight hours in one workday, forty hours in a workweek, and for the first eight hours worked on
14 the seventh consecutive day no less than one and one-half times the regular rate of pay for an employee.
15 (Lab. Code, § 510, subd. (a).) Further, Labor Code section 510 obligates employers to compensate
16 employees at no less than twice the regular rate of pay when an employee works more than twelve
17 hours in a day or more than eight hours on the seventh consecutive day of work. (Lab. Code, § 510,
18 subd. (a).)

19 30. IWC Wage Order 14-2001, section 3(A), is similar, but provides in pertinent part:

20 “(1) Such employees shall not be employed more than ten (10) hours in any
21 one workday or more than six (6) days in any workweek unless the
22 employee receives one and one-half (1½) times such employee’s regular
23 rate of pay for all hours worked over ten (10) hours in any workday and
24 for the first eight (8) hours on the seventh (7th) day of work and double
25 the employee’s regular rate of pay for all hours worked over eight (8) on
26 the seventh (7th) day of work in the workweek.

27 “(2) For employers of more than 25 employees:

28 ///

1 “(a) Starting January 1, 2019, an employee shall not be employed more than
2 nine and one-half (9½) hours per workday or fifty-five (55) hours per
3 workweek unless the employee receives one and one-half (1½) times
4 such employee’s regular rate of pay for all hours worked over nine and
5 one-half (9½) hours in any one workday or more than fifty-five (55)
6 hours in any one workweek.

7 “(b) Starting January 1, 2020, an employee shall not be employed more than
8 nine (9) hours per workday or fifty (50) hours per workweek unless the
9 employee receives one and one-half (1½) times such employee’s regular
10 rate of pay for all hours worked over nine (9) hours in any one workday
11 or more than fifty (50) hours in any one workweek.” (Cal. Code of Regs.,
12 tit. 8, § 11140, subd. 3.)

13 31. In accordance with Labor Code section 1194 and the Applicable Wage Order, the Class
14 Members could not then agree and cannot now agree to work for a lesser wage than the amount
15 provided by Labor Code sections 510 or the Applicable Wage Order.

16 32. Here, Defendants violated their duty to accurately and completely compensate the Class
17 Members for all overtime worked. The Class Members periodically worked hours that entitled them to
18 overtime compensation under the law but were not fully compensated for those hours.

19 33. These actions were and are in clear violation of California’s overtime laws as set forth
20 in Labor Code sections 510, 1194, 1199, and the Applicable Wage Order. (Cal. Code of Regs., tit. 8, §
21 11140.) As a result of Defendants’ faulty policies and practices, the Class Members were not
22 compensated for all hours worked or paid accurate overtime compensation.

23 **C. REST BREAK VIOLATIONS**

24 34. Pursuant to Labor Code section 226.7 and the Applicable Wage Order, Defendants were
25 and are required to provide the Class Members with compensated, duty-free rest periods of not less
26 than ten minutes for every major fraction of four hours worked. Under the Applicable Wage Order, an
27 employer must authorize and permit all employees to take ten minute duty free rest periods for every
28 major fraction of four hours worked. (Cal. Code of Regs., tit. 8, § 11140.)

1 35. Likewise, Labor Code section 226.7 provides that “[a]n employer shall not require an
2 employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute,
3 or applicable regulation, standard, or order of the Industrial Welfare Commission” (Lab. Code, §
4 226.7, subd. (b).) Labor Code section 226.7 also provides that employers must pay their employees one
5 additional hour of pay at the employee’s regular rate for each workday that a “meal or rest or recovery
6 period is not provided.” (Lab. Code, § 226.7, subd. (c).) The “regular rate” for these purposes must
7 factor in all nondiscretionary payments for work performed by the employee, including non-
8 discretionary bonuses, commissions, and other forms of wage payments exceeding the employees’ base
9 hourly rate. (*Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 878.) Thus, the Wage
10 Orders set when and for how long the rest period must take place and the Labor Code establishes that
11 violations of the IWC Wage Orders are unlawful and sets forth the premium pay employer must pay
12 their employees when employers fail to provide rest periods.

13 36. The California Supreme Court has held that, during required rest periods, “employers
14 must relieve their employees of all duties and relinquish any control over how employees spend their
15 break time.” (*Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th 257, 260.) Relinquishing
16 control over employees during rest periods requires that employees be “free to leave the employer’s
17 premises” and be “permitted to attend to personal business.” (*Id.* at p. 275.) The *Brinker* Court
18 explained in the context of rest breaks that employer liability attaches from adopting an unlawful
19 policy:

20 “An employer is required to authorize and permit the amount of rest break time
21 called for under the wage order for its industry. If it does not—if, for example,
22 it adopts a uniform policy authorizing and permitting only one rest break for
23 employees working a seven-hour shift when two are required—it has violated
24 the wage order and is liable.” (*Brinker Rest. Corp. v. Superior Court* (2012) 53
25 Cal.4th 1004, 1033.)

26 37. Here, Defendants periodically did not permit the Class Members to take compliant duty-
27 free rest breaks, free from Defendants’ control as required by Labor Code section 226.7, the Applicable
28 Wage Order, and applicable precedent. (See *Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th

1 257, 269 [concluding that “during rest periods employers must relieve employees of all duties and
2 relinquish control over how employees spend their time.”].) At all relevant times, the Class Members
3 were periodically not provided with legally-compliant and timely rest periods of at least ten minutes
4 for each four hour work period, or major fraction thereof due to Defendants’ unlawful rest period
5 policies/practices. The Class Members were often expected and required to continue working through
6 rest periods to meet the expectations Defendants and finish the workday. In some cases when the Class
7 Members worked more than ten hours in a shift, Defendants failed to authorize and/or permit a third
8 mandated rest period. As a result, the Class Members were periodically unable to take compliant rest
9 periods.

10 38. In such cases where Defendants did not offer the Class Members the opportunity to
11 receive a compliant off-duty rest period, “the court may not conclude employees voluntarily chose to
12 skip those breaks.” (*Alberts v. Aurora Behavioral Health Care* (2015) 241 Cal.App.4th 388, 410 (2015)
13 [“If an employer fails to provide legally compliant meal or rest breaks, the court may not conclude
14 employees voluntarily chose to skip those breaks.”]; *Brinker Rest. Corp. v. Superior Court, supra*, 53
15 Cal.4th at p. 1033 [“No issue of waiver ever arises for a rest break that was required by law but never
16 authorized; if a break is not authorized, an employee has no opportunity to decline to take it.”].)

17 39. In addition to failing to authorize and permit compliant rest periods, the Class Members
18 were not compensated with one hour’s worth of pay at their regular rate of compensation when they
19 were not provided with a compliant rest period in accordance with Labor Code section 226.7,
20 subdivision (c). Thus, Defendants have violated Labor Code section 226.7 and the Applicable Wage
21 Order.

22 40. Based on the foregoing, Plaintiff seeks to recover, on behalf of herself and other non-
23 exempt employees, rest period premiums and penalties.

24 **D. MEAL BREAK VIOLATIONS**

25 41. Labor Code section 512 and the Applicable Wage Order require employers to provide
26 employees with a thirty-minute uninterrupted and duty-free meal period within the first five hours of
27 work. (Lab. Code, § 512, subd. (a) [“An employer shall not employ an employee for a work period of
28 more than five hours per day without providing the employee with a meal period of not less than 30

1 minutes”]; Cal. Code of Regs., tit. 8, § 11140 [“No employer shall employ any person for a work
2 period of more than five (5) hours without a meal period of not less than 30 minutes”].)
3 Additionally, an employee who works more than ten hours per day is entitled to receive a second thirty-
4 minute uninterrupted and duty-free meal period. (Lab. Code, § 512, subd. (a) [“An employer shall not
5 employ an employee for a work period of more than 10 hours per day without providing the employee
6 with a second meal period of not less than 30 minutes”].)

7 42. “An on-duty meal period is permitted only when the nature of the work prevents an
8 employee from being relieved of all duty and the parties agree in writing to an on-duty paid meal
9 break.” (*Lubin v. The Wackenhut Corp.* (2016) 5 Cal.App.5th 926, 932.) The written agreement must
10 include a provision allowing the employee to revoke it at any time. (*Ibid.*) Generally, the California
11 Department of Industrial Relations, Division of Labor Standards Enforcement (“DLSE”) and courts
12 have “found that the nature of the work exception applies: (1) where the work has some particular
13 external force that requires the employee to be on duty at all times, and (2) where the employee is the
14 sole employee of a particular employer.” (*Id.* at p. 945, internal quotation marks omitted; *Abdullah v.*
15 *U.S. Security Associates, Inc.* (9th Cir. 2013) 731 F.3d 952, 958–959.) “[I]t is the employer’s obligation
16 to determine whether the nature of the work prevents an employee from being relieved before requiring
17 an employee to take an on-duty meal period.” (*Lubin v. The Wackenhut Corp.*, *supra*, 5 Cal.App.5th at
18 p. 946.)

19 43. Here, the Class Members were never asked to sign any enforceable document agreeing
20 to an on-duty meal period. Moreover, nothing in the nature of their work involved the kind of “external
21 force” that might justify on-duty meal breaks. (*Lubin v. The Wackenhut Corp.*, *supra*, 5 Cal.App.5th at
22 p. 945.) Nevertheless, Defendants periodically did not provide compliant off-duty meal periods within
23 the first five hours of work for the Class Members.

24 44. As with rest breaks, meal breaks must be duty-free. (*Brinker Restaurant Corp. v.*
25 *Superior Court* (2012) 53 Cal.4th 1004, 1035 [“The IWC’s wage orders have long made a meal period’s
26 duty-free nature its defining characteristic.”].) Relinquishing control over employees during meal
27 periods requires that employees be “free to leave the employer’s premises” and be “permitted to attend
28 to personal business.” (*Augustus v. ABM Security Services, Inc.*, *supra*, 2 Cal.5th at p. 275.) Under

1 Labor Code section 512, if an employer maintains a uniform policy that does not authorize and permit
2 the amount of meal time called for under the law (as specified in the Labor Code and/or applicable
3 IWC Wage Order), “it has violated the wage order and is liable.” (*Brinker Restaurant Corp. v. Superior*
4 *Court, supra*, 53 Cal.4th at p. 1033.)

5 45. During the applicable statutory periods here, the Class Members were periodically
6 denied legally-compliant and timely off-duty meal periods of at least thirty minutes due to Defendants’
7 unlawful meal period policy and practices. As a result of Defendants’ uniform meal period policies and
8 practices, the Class Members were often not permitted to take compliant first meal periods before the
9 end of the fifth hour of work. The Class Members were also periodically not permitted to take second
10 meal periods for shifts in excess of ten hours. Defendants thus violated Labor Code section 512 and
11 the Applicable Wage Order by failing to advise, authorize, or permit the Class Members to receive
12 thirty-minute, off-duty meal periods within the first five hours of their shifts.

13 46. Labor Code section 226.7 provides that “[a]n employer shall not require an employee
14 to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or
15 applicable regulation, standard, or order of the Industrial Welfare Commission.” (Lab. Code, § 226.7,
16 subd. (b).) Labor Code section 226.7, subdivision (c), and the Applicable Wage Order further obligate
17 employers to pay employees one additional hour of pay at the employee’s regular rate of compensation
18 for each workday that the meal period is not provided. (Lab. Code, § 226.7, subd. (c); Cal. Code of
19 Regs., tit. 8, § 11140 [“If an employer fails to provide an employee a meal period in accordance with
20 the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the
21 employee’s regular rate of compensation for each workday that the meal period is not provided.”].)
22 The “regular rate” for these purposes must factor in all nondiscretionary payments for work performed
23 by the employee, including non-discretionary bonuses, commissions, and other forms of wage
24 payments exceeding the employees’ base hourly rate. (*Ferra v. Loews Hollywood Hotel, LLC* (2021)
25 11 Cal.5th 858, 878.)

26 47. Accordingly, for each day that the Class Members did not receive compliant meal
27 periods, they were and are entitled to receive meal period premiums pursuant to Labor Code section
28 226.7 and the Applicable Wage Order. Defendants, however, failed to pay the Class Members

1 applicable meal period premiums for many workdays that the employees did not receive a compliant
2 meal period. Thus, Defendants have violated Labor Code section 226.7 and the Applicable Wage
3 Order.

4 48. Based on the foregoing, Plaintiff seeks to recover, on behalf of herself and other non-
5 exempt employees, meal period premiums and penalties.

6 **E. UNTIMELY WAGES DURING EMPLOYMENT**

7 49. Labor Code section 204 expressly requires employers who pay employees on a weekly,
8 biweekly, or semimonthly basis to pay all wages “not more than seven calendar days following the
9 close of the payroll period.” Labor Code section 210, subdivision (a), makes employers who violate
10 Labor Code section 204 subject to a penalty of:

11 “(1) For any initial violation, one hundred dollars (\$100) for each failure to
12 pay each employee.

13 “(2) For each subsequent violation, or any willful or intentional violation, two
14 hundred dollars (\$200) for each failure to pay each employee, plus 25
15 percent of the amount unlawfully withheld.” (Lab. Code, § 210, subd.
16 (a).)

17 50. Notably, the penalty provided by Labor Code section 210 is “[i]n addition to, and
18 entirely independent and apart from, any other penalty provided in this article” (Lab. Code, § 210,
19 subd. (a).)

20 51. Due to Defendants’ failure to pay the Class Members the wages described above, along
21 with rest and meal break premiums, Defendants failed to timely pay the Class Members within seven
22 calendar days following the close of payroll in accordance with Labor Code section 204 on a regular
23 and consistent basis. (See *Parson v. Golden State FC, LLC* (N.D. Cal., May 2, 2016, No. 16-CV-00405-
24 JST) 2016 WL 1734010, at p. *3–5, 2016 U.S. Dist. LEXIS 58299 [finding that a failure to pay rest
25 period premiums can support claims under Labor Code sections 203 and 204].)

26 **F. UNTIMELY WAGES AT SEPARATION**

27 52. Labor Code section 203 provides “if an employer willfully fails to pay . . . any wages
28 of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty”

1 for up to thirty days. (Lab. Code § 203; *Mamika v. Barca* (1998) 68 Cal.App.4th 487, 492.) As a result
2 of Defendants' failure to pay the Class Members for the wages described above, along with rest and
3 meal break premiums, Defendants violated and continue to violate Labor Code section 203.

4 53. Due to Defendants' faulty pay policies, those Class Members whose employment with
5 Defendants concluded were not compensated for each and every hour worked at the appropriate rate.
6 Defendants have failed to pay formerly-employed Class Members whose sums were certain at the time
7 of termination within at least seventy-two hours of their resignation and have failed to pay those sums
8 for thirty days thereafter.

9 **G. FAILURE TO REIMBURSE BUSINESS EXPENSES**

10 54. At all relevant times herein, Defendants were subject to Labor Code section 2802, which
11 states that "an employer shall indemnify his or her employees for all necessary expenditures or losses
12 incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her
13 obedience to the directions of the employer." The purpose of this section is to "prevent employers from
14 passing along their operating expenses onto their employees." (*Gattuso v. Harte-Hanks Shoppers, Inc.*
15 (2007) 42 Cal.4th 554, 562.)

16 55. At all relevant times herein, Defendants were subject to Labor Code section 2804, which
17 states that "any contract or agreement, express or implied, made by any employee to waive the benefits
18 of this article or any part thereof, is null and void, and this article shall not deprive any employee or his
19 personal representative of any right or remedy to which he is entitled under the laws of this State."

20 56. Thus, the Class Members were and are entitled to reimbursement for the expenses they
21 incurred during the course of their duties. The duty to reimburse even extends to the use of equipment
22 the employee may already own and would be required to pay for anyway. (*Cochran v. Schwan's Home*
23 *Serv., Inc.* (2014) 228 Cal.App.4th 1137, 1144 ["The threshold question in this case is this: Does an
24 employer always have to reimburse an employee for the reasonable expense of the mandatory use of a
25 personal cell phone, or is the reimbursement obligation limited to the situation in which the employee
26 incurred an extra expense that he or she would not have otherwise incurred absent the job? The answer
27 is that reimbursement is always required. Otherwise, the employer would receive a windfall because it
28 would be passing its operating expenses on to the employee."].)

1 57. Here, Defendants failed to fully reimburse the Class Members for necessary
2 expenditures incurred as a direct consequence and requirement of performing their job duties, including
3 the costs associated with their personal cell phone they required to perform their work. Consequently,
4 Defendants failed to comply with Labor Code section 2802.

5 **H. WAGE STATEMENT VIOLATIONS**

6 58. Defendants also failed to provide accurate itemized wage statements in accordance with
7 Labor Code sections 226, subdivisions (a)(1), (2), (5), and (9). Labor Code section 226, subdivision
8 (a), obligates employers, semi-monthly or at the time of each payment to furnish an itemized wage
9 statement in writing showing:

- 10 (1) The gross wages earned;
- 11 (2) The total hours worked by the employee;
- 12 (3) The number of piece-rate units earned and any applicable piece rate if
13 the employee is paid on a piece rate basis;
- 14 (4) All deductions, provided that all deductions made on written orders of
15 the employee may be aggregated and shown as one item;
- 16 (5) The net wages earned;
- 17 (6) The inclusive dates of the period for which the employee is paid;
- 18 (7) The name of the employee and only the last four digits of his or her social
19 security number or an employee identification number other than a social
20 security number;
- 21 (8) The name and address of the legal entity that is the employer; and
- 22 (9) All applicable hourly rates in effect during the pay period and the
23 corresponding number of hours worked at each hourly rate by the
24 employee.

25 59. Due to Defendants' failure to pay the Class Members properly as described above, the
26 wage statements issued do not indicate the correct amount of gross wages earned, total hours worked,
27 or the net wages earned, or the applicable hourly rates in effect during the pay period and the
28 corresponding number of hours worked at each hourly rate. Thus, Defendants have violated Labor

1 Code section 226, subdivisions (a)(1), (2), (5), and (9).

2 60. In addition to Labor Code section 226, subdivision (a), Defendants also knowingly and
3 intentionally failed to provide the Class Members with accurate itemized wage statements in violation
4 of Labor Code section 226, subdivision (e). Defendants knew that they were not providing the Class
5 Members with wage statements required by California law but nevertheless failed to correct their
6 unlawful practices and policies. (See *Garnett v. ADT LLC* (E.D. Cal. 2015) 139 F.Supp.3d 1121, 1134
7 [finding the defendant knowingly and intentionally violated Labor Code section 226 because the
8 “[d]efendant knew that it was not providing total hours worked to plaintiff or other employees paid on
9 commission” even though it believed that employees paid solely on commission or commission and
10 salary “are exempt and therefore we do not record hours on a wage statement.”].)

11 **I. RECORDKEEPING VIOLATIONS**

12 61. Labor Code section 226, subdivision (a), requires employers to keep an accurate record
13 of, among other things, all hours worked by employees. Labor Code section 226.3 provides, in pertinent
14 part, as follows:

15 “Any employer who violates subdivision (a) of Section 226 shall be subject to a
16 civil penalty in the amount of two hundred fifty dollars (\$250) per employee per
17 violation in an initial citation and one thousand dollars (\$1,000) per employee
18 for each violation in a subsequent citation, for which the employer fails to
19 provide the employee a wage deduction statement or fails to keep the records
20 required in subdivision (a) of Section 226. The civil penalties provided for in
21 this section are in addition to any other penalty provided by law.” (Lab. Code, §
22 226.3, emphasis added.)

23 62. Likewise, Labor Code section 1174, subdivision (d), requires every employer, including
24 Defendants, to:

25 “Keep, at a central location in the state or at the plants or establishments at which
26 employees are employed, payroll records showing the hours worked daily by
27 and the wages paid to, and the number of piece-rate units earned by and any
28 applicable piece rate paid to, employees employed at the respective plants or

1 establishments. These records shall be kept in accordance with rules established
2 for this purpose by the commission, but in any case shall be kept on file for not
3 less than three years. An employer shall not prohibit an employee from
4 maintaining a personal record of hours worked, or, if paid on a piece-rate basis,
5 piece-rate units earned.” (Lab. Code, § 1174, subd. (d), emphasis added.)

6 63. As explained in detail above, Defendants failed to provide the Class Members with
7 accurate itemized wage statements. Defendants did so, in part, because they failed to accurately track
8 hours worked by the Class Members. Defendants have thus failed to keep accurate records of the “total
9 hours worked by the employee[s]” in violation of Labor Code section 226, subdivision (a), and are
10 therefore subject to the penalties provided by Labor Code section 226.3. These penalties are “in
11 addition to any other penalty provided by law.” (Lab. Code, § 226.3.)

12 64. The failure to accurately track hours worked also resulted in a failure of Defendants to
13 keep a record of all “payroll records showing the hours worked daily by” Defendants’ employees,
14 including Plaintiff and the other Class Members, in violation of Labor Code section 1174, subdivision
15 (d).

16 **V. CLASS ACTION ALLEGATIONS**

17 65. As mentioned above, Plaintiff brings this action on behalf of herself and the Class
18 Members pursuant to section 382 of the Code of Civil Procedure.

19 66. **Numerosity/Ascertainability:** The Class Members are so numerous that joinder of all
20 members would be unfeasible and not practicable. The membership of the class is unknown to Plaintiff
21 at this time; however, it is estimated that the number of Class Members is greater than 100 individuals.
22 The identity of such membership is readily ascertainable via inspection of Defendants’ employment
23 records.

24 67. **Common Questions of Law and Fact Predominate/Well Defined Community of**
25 **Interest:** There are common questions of law and fact as to Plaintiff and all other similarly situated
26 non-exempt employees, which predominate over questions affecting only individual members
27 including, without limitation to:

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1 A. Whether Defendants' pay policies/practices resulted in a failure to pay the Class
2 Members for all hours worked, including all minimum wages;

3 B. Whether Defendants' pay policies/practices resulted in a failure to pay the Class
4 Members for all required overtime wages at the Class Members' regular rate of pay;

5 C. Whether Defendants' rest period policies and practices afforded legally
6 compliant rest periods or compensation in lieu thereof;

7 D. Whether Defendants' meal period policies and practices afforded legally
8 compliant meal periods or compensation in lieu thereof;

9 E. Whether Defendants maintained accurate employment records;

10 F. Whether Defendants timely paid all wages during employment;

11 G. Whether Defendants timely paid all wages earned and unpaid at separation;

12 H. Whether Defendants indemnified their employees for all necessary business
13 expenditures;

14 I. Whether Defendants furnished legally-compliant wage statements to the Class
15 Members pursuant to Labor Code section 226; and

16 J. Whether Defendants' violations of the Labor Code and the Applicable Wage
17 Order amounted to a violation of California's UCL.

18 68. **Predominance of Common Questions:** Common questions of law and fact
19 predominate over questions that affect only individual Class Members. The common questions of law
20 set forth above are numerous and substantial and stem from Defendants' uniform policies and practices
21 applicable to each individual class member, such as Defendants' uniform policy and practice of failing
22 to pay for all hours worked, Defendants' uniform policies and practices which failed to provide
23 compliant rest periods, Defendants' uniform policies and practices which failed to provide compliant
24 meal periods, Defendants' failure to provide accurate itemized wage statements, and others. As such,
25 the common questions predominate over individual questions concerning each individual class
26 member's showing as to his or her eligibility for recovery or as to the amount of his or her damages.

27 69. **Typicality:** The claims of Plaintiff are typical of the claims of the Class Members
28 because Plaintiff was employed by Defendants as a non-exempt employee in California during the

1 statute(s) of limitation applicable to each cause of action pleaded in this complaint. As alleged herein,
2 Plaintiff, like the other Class Members, was deprived of minimum, regular, and overtime wages
3 because of Defendants' unlawful timekeeping policies and practices, was deprived of rest periods and
4 premium wages in lieu thereof, was deprived of meal periods and premium wages in lieu thereof, was
5 subject to Defendants' uniform rest period policies and practices, was subject to Defendants' uniform
6 meal period policies and practices, was not provided accurate itemized wage statements, was not paid
7 all wages in full and on time, , and was subject to other similar policies and practices to which the Class
8 Members were subject.

9 **70. Adequacy of Representation:** Plaintiff is fully prepared to take all necessary steps to
10 represent fairly and adequately the interests of the Class Members. Moreover, Plaintiff's attorneys are
11 ready, willing, and able to fully and adequately represent the Class Members and Plaintiff. Plaintiff's
12 attorneys have prosecuted numerous wage-and-hour class actions in state and federal court in the past
13 and are committed to vigorously prosecuting this action on behalf of the Class Members.

14 **71. Superiority:** The California Labor Code is broadly remedial in nature and serves an
15 important public interest in establishing minimum working conditions and standards in California.
16 These laws and labor standards protect the average working employee from exploitation by employers
17 who have the responsibility to follow the laws and who may seek to take advantage of superior
18 economic and bargaining power in setting onerous terms and conditions of employment. The nature of
19 this action and the format of laws available to Plaintiff and the Class Members make the class action
20 format a particularly efficient and appropriate procedure to redress the violations alleged herein. If each
21 employee were required to file an individual lawsuit, Defendants would necessarily gain an
22 unconscionable advantage since they would be able to exploit and overwhelm the limited resources of
23 each individual plaintiff with their vastly superior financial and legal resources.

24 **72.** Moreover, requiring each Class Member to pursue an individual remedy would also
25 discourage the assertion of lawful claims by employees who would be disinclined to file an action
26 against their former or current employer for real and justifiable fear of retaliation and permanent
27 damages to their careers at subsequent employment. Further, the prosecution of separate actions by the
28 individual Class Members, even if possible, would create a substantial risk of inconsistent or varying

1 verdicts or adjudications with respect to the individual Class Members against Defendants herein, and
2 which would establish potentially incompatible standards of conduct for Defendants or legal
3 determinations with respect to individual Class Members which would, as a practical matter, be
4 dispositive of the interest of the other Class Members not parties to adjudications or which would
5 substantially impair or impede the ability of the Class Members to protect their interests.

6 73. Further, the claims of the individual Class Members are not sufficiently large to warrant
7 vigorous individual prosecution considering the concomitant costs and expenses attending thereto. As
8 such, the Class Members identified above are maintainable as a class under section 382 of the Code of
9 Civil Procedure.

10 **VI. CAUSES OF ACTION**

11 **First Cause of Action**

12 *Failure to Pay All Minimum Wages*

13 *(Against All Defendants)*

14 74. Plaintiff realleges and incorporates by reference all previous paragraphs.

15 75. Section 4 of the Applicable Wage Order and Labor Code section 1197 establish the right
16 of employees to be paid minimum wages for all hours worked, in amounts set by state law. (Lab. Code,
17 § 1197; Cal. Code of Regs., tit. 8, § 11140.) Labor Code sections 1194, subdivision (a), and 1194.2,
18 subdivision (a), provide that an employee who has not been paid the legal minimum wage as required
19 by Labor Code section 1197 may recover the unpaid balance, together with attorneys' fees and costs
20 of suit, as well as liquidated damages in an amount equal to the unpaid wages and interest accrued
21 thereon.

22 76. Here, Defendants failed to fully conform their pay practices to the requirements of the
23 law during the relevant statutory periods. Plaintiff and the other Class Members were not compensated
24 for all hours worked including, but not limited to, all hours they were subject to the control of
25 Defendants and/or suffered or permitted to work under the Labor Code and the Applicable Wage Order.

26 77. Labor Code section 1198 makes unlawful the employment of an employee under
27 conditions that the IWC Wage Orders prohibit. Labor Code sections 1194, subdivision (a), and 1194.2,
28 subdivision (a), provide that an employer who has failed to pay its employees the legal minimum wage

1 is liable to pay those employees the unpaid balance of the unpaid wages as well as liquidated damages
2 in an amount equal to the wages due and interest thereon.

3 78. As a direct and proximate result of Defendants' unlawful conduct as alleged herein,
4 Plaintiff and the other Class Members have sustained economic damages, including but not limited to
5 unpaid wages and lost interest, in an amount to be established at trial, and they are entitled to recover
6 economic and statutory damages and penalties and other appropriate relief because of Defendants'
7 violations of the Labor Code and Applicable Wage Order.

8 79. Defendants' practices and policies regarding illegal employee compensation are
9 unlawful and create an entitlement to recovery by Plaintiff and the other Class Members in a civil
10 action for the unpaid amount of minimum wages, liquidated damages, including interest thereon,
11 statutory penalties, attorneys' fees, and costs of suit according to Labor Code sections 204, 218.5, 1194,
12 1194.2, 1197, and 1198, and Code of Civil Procedure section 1021.5.

13 **Second Cause of Action**

14 *Failure to Pay All Overtime Wages*

15 *(Against All Defendants)*

16 80. Plaintiff realleges and incorporates by reference all previous paragraphs.

17 81. This cause of action is brought pursuant to Labor Code sections 204, 510, 1194, and
18 1198, which provide that non-exempt employees are entitled to overtime wages for all overtime hours
19 worked and provide a private right of action for the failure to pay all overtime compensation for
20 overtime work performed. At all times relevant herein, Defendants were required to properly pay
21 Plaintiff and the other Class Members for all overtime wages earned pursuant to Labor Code section
22 1194 and the Applicable Wage Order. Defendants caused Plaintiff and the other Class Members to
23 work overtime hours but did not compensate them at one and one-half times their regular rate of pay
24 for such hours in accordance with California law. Likewise, Defendants caused Plaintiff and the other
25 Class Members to work double-time hours but did not compensate them at twice their regular rate of
26 pay for such hours in accordance with California law.

27 82. Defendants failed to fully conform their pay practices to the requirements of California
28 law. This unlawful conduct includes but is not limited to Defendants' uniform and unlawful pay

1 policies and practices of failing to accurately record all the time that non-exempt employees were under
2 the supervision and control of Defendants. The foregoing policies and practices are unlawful and allow
3 Plaintiff and the other Class Members to recover in a civil action the unpaid amount of overtime
4 premiums owing, including interest thereon, statutory penalties, attorneys' fees, and costs of suit
5 according to Labor Code section 204, 510, 1194, and 1198, the Applicable Wage Order, and Code of
6 Civil Procedure section 1021.5.

7 **Third Cause of Action**

8 *Failure to Provide Rest Periods and Pay Missed Rest Period Premiums*

9 *(Against All Defendants)*

10 83. Plaintiff realleges and incorporates by reference all previous paragraphs.

11 84. Section 12 of the Applicable Wage Order, and Labor Code section 226.7 establish the
12 right of employees to be provided with a rest period of at least ten minutes for each four hour period
13 worked, or major fraction thereof. (See Cal. Code of Regs., tit. 8, § 11140.)

14 85. Due to Defendants' unlawful rest period policies and practices described in detail above,
15 Defendants did not authorize and permit Plaintiff and the other Class Members to take all rest periods
16 to which they were legally entitled. Despite Defendants' violations, Defendants have not paid an
17 additional hour of pay to Plaintiff and the other Class Members at their respective regular rates of pay
18 for each violation, in accordance with California Labor Code section 226.7.

19 86. The foregoing violations create an entitlement to recovery by Plaintiff and the other
20 Class Members in a civil action for the unpaid amount of rest period premiums owing, including interest
21 thereon, statutory penalties, and costs of suit pursuant to the Applicable Wage Order, and California
22 Labor Code section 226.7.

23 **Fourth Cause of Action**

24 *Failure to Provide Meal Periods and Pay Missed Meal Period Premiums*

25 *(Against All Defendants)*

26 87. Plaintiff realleges and incorporates by reference all previous paragraphs.

27 88. Plaintiff is informed and believes and thereon alleges, that Defendants failed in their
28 affirmative obligation to provide their hourly non-exempt employees, including Plaintiff and the other

1 Class Members, with all required meal periods in accordance with the mandates of the Labor Code and
2 the Applicable Wage Order, for the reasons set forth herein above. Despite Defendants' violations,
3 Defendants have not paid an additional hour of pay to Plaintiff and the other Class Members at their
4 respective regular rates of pay for each violation, in accordance with California Labor Code section
5 226.7.

6 89. As a result, Defendants are responsible for paying premium compensation for meal
7 period violations, including interest thereon, statutory penalties, and costs of suit pursuant to the
8 Applicable Wage Order and Labor Code sections 226.7 and 512, and Civil Code sections 3287,
9 subdivision (b), and 3289. (See Cal. Code of Regs., tit. 8, § 11140.)

10 **Fifth Cause of Action**

11 *Failure to Maintain Accurate Employment Records*

12 *(Against All Defendants)*

13 90. Plaintiff realleges and incorporates by reference all previous paragraphs.

14 91. Pursuant to California Labor Code section 1174, subdivision (d), an employer shall keep
15 at a central location in the state or at the plants or establishments at which employees are employed,
16 payroll records showing the hours worked daily by and wages paid to employees employed at the
17 respective plants or establishments. These records must be kept in accordance with rules established
18 for this purpose by the commission, but in any case shall be kept on file for not less than two years.

19 92. Labor Code section 1174.5 imposes a civil penalty of \$500 for an employer's failure to
20 maintain accurate and complete records.

21 93. Defendant has intentionally and willfully failed to keep accurate and complete records
22 showing the hours worked daily and wages paid to Plaintiff and the other Class Members. Thus,
23 Plaintiff and the other Class Members have been denied their legal right and protected interest in having
24 available at a central location at the plant or establishment where they are employed, accurate and
25 complete payroll records showing the hours worked daily by, and the wages paid to, employees at those
26 respective locations pursuant to Labor Code 1174.

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1 compensation owed to them in a civil action and any applicable penalties, attorney fees, and interest
2 owed to them pursuant to Labor Code sections 210 and 218.5.

3 **Seventh Cause of Action**

4 *Failure to Pay All Wages Earned and Unpaid at Separation*

5 *(Against All Defendants)*

6 100. Plaintiff realleges and incorporates by reference all previous paragraphs.

7 101. The actionable period for this cause of action is three years prior to the filing of this
8 complaint through the present, and ongoing until the violations are corrected or the class is certified.
9 (*Pineda v. Bank of America, N.A.* (2010) 50 Cal.4th 1389, 1395; *Murphy v. Kenneth Cole Productions,*
10 *Inc.* (2007) 40 Cal.4th 1094, 1109; Code Civ. Proc., § 338, subd. (a).) Labor Code sections 201 and
11 202 of the California Labor Code require Defendants to pay all compensation due and owing to its
12 former employees (including the formerly-employed Class Members) during the actionable period for
13 this cause of action at or around the time that their employment is or was terminated, or ended.

14 102. Section 203 of the Labor Code provides that if an employer willfully fails to pay
15 compensation promptly upon discharge or resignation, as required by Sections 201 and 202, then the
16 employer is liable for penalties in the form of continued compensation up to thirty workdays.

17 103. Due to Defendants' faulty pay policies, those Class Members whose employment with
18 Defendants has concluded were not compensated for each and every hour worked at the appropriate
19 rate. Defendants have willfully failed to pay those formerly-employed Class Members whose sums
20 were certain at the time of termination within seventy-two hours of their resignation and have failed to
21 pay those sums for thirty days thereafter as required by Labor Code sections 201 through 203.

22 104. As a result, Defendants are liable to the formerly-employed Class Members for waiting
23 time penalties amounting to thirty days wages for the formerly-employed Class Members pursuant to
24 Labor Code section 203. (See, e.g., DLSE Manual, § 4.3.4 [failure to pay any sort of wages due upon
25 termination entitles an employee to recover waiting time penalties].)

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1 **Eighth Cause of Action**

2 *Failure to Indemnify All Necessary Business Expenditures*

3 *(Against All Defendants)*

4 105. Plaintiff realleges and incorporates by reference all previous paragraphs.

5 106. California Labor Code Section 2802 states that employers must “indemnify” an
6 employee for “all necessary expenditures or losses incurred by the employee in direct consequence of
7 the discharge of his or her duties, or of his or her obedience to the directions of the employer.” Likewise,
8 Labor Code section 2804 states that “any contract or agreement, express or implied, made by any
9 employee to waive the benefits of this article or any part thereof, is null and void, and this article shall
10 not deprive any employee or his personal representative of any right or remedy to which he is entitled
11 under the laws of this State.”

12 107. Here, Plaintiff and the other Class Members paid out of pocket for necessary business
13 expenditures incurred as a direct consequence and requirement of performing their job duties, including
14 the costs associated with their personal cell phone they required to perform their work. Despite knowing
15 that Plaintiff and the other Class Members incurred these necessary business expenses, and requiring
16 Plaintiff and the other Class Members to use such items, Defendants did not reimburse them.

17 108. Thus, Plaintiff and the other Class Members are entitled to recover the cost of such
18 necessary business expenses, plus interest from the date each incurred such business expenses, plus
19 fees and costs. (Lab. Code, § 2802, subds. (b), (c).)

20 **Ninth Cause of Action**

21 *Failure to Furnish Accurate Itemized Wage Statements*

22 *(Against All Defendants)*

23 109. Plaintiff realleges and incorporates by reference all previous paragraphs.

24 110. Labor Code section 226, subdivision (a), obligates employers, semi-monthly or at the
25 time of each payment to furnish an itemized wage statement in writing showing:

- 26 (1) The gross wages earned;
27 (2) The total hours worked by the employee;

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- 1 (3) The number of piece-rate units earned and any applicable piece rate if
2 the employee is paid on a piece rate basis;
- 3 (4) All deductions, provided that all deductions made on written orders of
4 the employee may be aggregated and shown as one item;
- 5 (5) The net wages earned;
- 6 (6) The inclusive dates of the period for which the employee is paid;
- 7 (7) The name of the employee and only the last four digits of his or her social
8 security number or an employee identification number other than a social
9 security number;
- 10 (8) The name and address of the legal entity that is the employer; and
- 11 (9) All applicable hourly rates in effect during the pay period and the
12 corresponding number of hours worked at each hourly rate by the
13 employee.

14 111. As set forth above, Defendants issued and continues to issue wage statements to its non-
15 exempt employees including Plaintiff and the other Class Members that are inadequate under Labor
16 Code section 226, subdivision (a). By failing to pay Plaintiff and the other Class Members properly as
17 described above, Defendants failed to include required information on their wage statements, including,
18 but not limited to, the gross wages earned, the net wages earned in violation of Labor Code section
19 226, subdivision (a).

20 112. Defendants' failure to comply with Labor Code section 226, subdivision (a), of the
21 Labor Code was knowing and intentional. (Lab. Code, § 226, subd. (e)).

22 113. As a result of Defendants' issuance of inaccurate itemized wage statements to Plaintiff
23 and the other Class Members in violation of Labor Code section 226, subdivision (a), Plaintiff and the
24 other Class Members are each entitled to recover an initial penalty of \$50, and subsequent penalties of
25 \$100, up to an amount not exceeding an aggregate penalty of \$4,000 per Plaintiff and per each Class
26 Member from Defendants pursuant to Labor Code section 226, subdivision (e), along with costs and
27 reasonable attorneys' fees.

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1 **Tenth Cause of Action**

2 *Violations of California's Unfair Competition Law*

3 *(Against All Defendants)*

4 114. Plaintiff realleges and incorporates by reference all previous paragraphs.

5 115. Defendants have engaged and continue to engage in unfair and/or unlawful business
6 practices in California in violation of California Business and Professions Code section 17200 through
7 17210, by committing the unlawful acts described above. Defendants' utilization of these unfair and
8 unlawful business practices deprived and continue to deprive Plaintiff and the other Class Members of
9 compensation to which they are legally entitled. These practices constitute unfair and unlawful
10 competition and provide an unfair advantage over Defendants' competitors who have been and/or are
11 currently employing workers and attempting to do so in honest compliance with applicable wage and
12 hour laws.

13 116. Because Plaintiff is a victim of Defendants' unfair and unlawful conduct alleged herein,
14 Plaintiff for herself and on behalf of the Class Members, seeks full restitution of monies, as necessary
15 and according to proof, to restore any and all monies withheld, acquired and/or converted by
16 Defendants pursuant to Business and Professions Code sections 17203 and 17208.

17 117. The acts complained of herein occurred within the four years prior to the initiation of
18 this action and are continuing into the present and ongoing.

19 118. Plaintiff was compelled to retain the services of counsel to file this Court action to
20 protect her interests and those of the Class Members, to obtain restitution and injunctive relief on behalf
21 of Defendants' current non-exempt employees and to enforce important rights affecting the public
22 interest. Plaintiff has thereby incurred the financial burden of attorneys' fees and costs, which Plaintiff
23 is entitled to recover under Code of Civil Procedure section 1021.5.

24 **VII. DEMAND FOR JURY TRIAL**

25 119. Plaintiff hereby demands trial by jury of Plaintiff's and the Class Members' claims
26 against Defendants.

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1 **VIII. PRAYER FOR RELIEF**

2 Plaintiff prays for judgment for herself and for all others on whose behalf this suit is brought
3 against Defendants, as follows:

- 4 1. For an order certifying the proposed class;
- 5 2. For an order appointing Plaintiff as representative of the class;
- 6 3. For an order appointing Plaintiff's counsel as counsel for the class;
- 7 4. For the failure to pay all minimum wages, compensatory, consequential, general, and
8 special damages according to proof pursuant to Labor Code sections 1194, 1194.2,
9 1197, and others as may be applicable;
- 10 5. For the failure to pay all overtime wages, compensatory, consequential, general, and
11 special damages according to proof pursuant to Labor Code sections 204, 510, 1194,
12 1198, and others as may be applicable;
- 13 6. For the failure to provide rest periods and pay missed rest period premiums,
14 compensatory, consequential, general, and special damages according to proof pursuant
15 to Labor Code section 226.7;
- 16 7. For the failure to provide meal periods and pay missed meal period premiums,
17 compensatory, consequential, general, and special damages according to proof pursuant
18 to Labor Code sections 226.7 and 512;
- 19 8. For the failure to maintain accurate employment records, penalties pursuant to Labor
20 Code sections 226.3, 1174.5, and others that may be applicable;
- 21 9. For the failure to pay wages timely during employment, the unpaid balance of the
22 compensation owed to Plaintiff and the other Class Members and any applicable
23 penalties owed to them pursuant to Labor Code section 210;
- 24 10. For the failure to pay all wages earned and unpaid at separation, statutory waiting time
25 penalties pursuant to Labor Code sections 201 through 203, for the Class Members who
26 quit or were fired in an amount equal to their daily wage multiplied by thirty days, as
27 may be proven;

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- 1 **11.** For the failure to indemnify all necessary business expenditures, all unreimbursed
2 business expenses, and interest thereon, that are owed, pursuant to Labor Code section
3 2802, and attorney fees, pursuant to Labor Code section 2802, subdivision (c);
- 4 **12.** For the violations of California’s Unfair Competition Law, restitution to Plaintiff and
5 the other Class Members of all money and/or property unlawfully acquired by
6 Defendants by means of any acts or practices declared by this Court to be in violation
7 of Business and Professions Code sections 17200 through 17210;
- 8 **13.** Prejudgment interest on all due and unpaid wages pursuant to Labor Code section 218.6
9 and Civil Code sections 3287 and 3289;
- 10 **14.** On all causes of action for which attorneys’ fees may be available, for attorneys’ fees
11 and costs as provided by Labor Code sections 218.5, 226, Code of Civil Procedure
12 section 1021.5, and others as may be applicable;
- 13 **15.** For an order enjoining Defendants, and each of them, and their agents, servants, and
14 employees, and all persons acting under, in concert with, or for them, from acting in
15 derogation of any rights or duties adumbrated in this complaint; and
- 16 **16.** For such other and further relief, this Court may deem just and proper.

17 Dated: November 29, 2023

MELMED LAW GROUP P.C.



JONATHAN MELMED

Attorneys for Plaintiff and the Putative Class

Thank you for submission of your PAGA Case.

1 message

LWDA DO NOT REPLY <lwdadonotreply@dir.ca.gov>
To: "tracy@melmedlaw.com" <tracy@melmedlaw.com>

Wed, Nov 29, 2023 at 3:55 PM

11/29/2023

LWDA Case No. LWDA-CM-996845-23
Law Firm : Melmed Law Group, PC
Plaintiff Name : Martha Sanchez Padilla
Employer: Central Irrigation, Inc.
Filing Fee : \$75.00
IFP Claimed : No

Item submitted: Initial PAGA Notice

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

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

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

EXHIBIT C

March 20, 2025

Filed via the LWDA's PAGA Claim Notice Online Form

Copies Sent via Certified U.S. Mail to:

Central Irrigation, Inc.
c/o Henderson Hatfield
Stacy Henderson
578 N. Wilma Avenue, Ste. A
Ripon, CA 95366

Re: *Martha Sanchez Padilla v. Central Irrigation, Inc.*
Notice of Intent to File Suit Pursuant to California Labor Code
Section 2699
Supplement to November 29, 2023 Letter
LWDA Case No. LWDA-CM-996845-23

To Whom It May Concern:

This correspondence shall serve as a supplemental follow-up to our November 29, 2023 PAGA notice (the "Notice") setting forth the facts and theories underlying our client, Martha Sanchez Padilla's ("Plaintiff") PAGA claims against Central Irrigation, Inc. on behalf of the State of California and all Aggrieved Employees. A copy of the Notice is enclosed as **Exhibit A**. This letter incorporates by reference the facts, law, and allegations of Exhibit A and amends it to include as follows:

Supplemental Claims

Plaintiff alleges Defendant violated and continues to violate California Industrial Welfare Commission Wage Orders Wage Order 7-2001, and others that may be applicable. (Cal. Code of Regs., tit. 8, § 11070.)

Defendant Violated and Continues to Violate Labor Code § 246

Labor Code section 246 provides that every employee who works in California for the same employer for 30 or more days within a year from the commencement of employment is entitled to paid sick days. (Lab. Code, § 246, subd. (a).) These paid sick days generally accrue at a rate of not less than one hour per every 30 hours worked, and must be paid out using the employees' regular rate of pay. (Lab. Code, § 246, subds. (b), (l).) The "regular rate of pay" for these purposes must factor in all nondiscretionary payments for work performed by the employee, including non-discretionary bonuses, commissions, and other forms of wage payments exceeding the employees' base hourly rate. (Lab. Code, § 246, subds. (l)(1), (2); see, e.g., *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 878.)

Notice of Intent to File PAGA Action

March 20, 2025

Page 2 of 2

Here, Defendant employed Plaintiff and the Aggrieved Employees for 30 or more days within a year from the commencement of employment. Defendant nevertheless failed to fully pay Plaintiff and the Aggrieved Employees for all sick pay that was lawfully earned and accrued.

By failing to fully pay accrued sick time, Defendant has underpaid Plaintiff and the Aggrieved Employees and have violated California Labor Code provisions including, but not limited to, section 246.

Conclusion

Therefore, pursuant to Labor Code § 2699.3, we write to inform you and the Labor and Workforce Development Agency of our intent to file a class action lawsuit and a PAGA representative action against Defendant to include a PAGA claim for penalties under Labor Code § 2699 to be brought by Plaintiff, on behalf of herself and all other Aggrieved Employees.

Please do not hesitate to contact me at the information provided above.

Sincerely,



JONATHAN MELMED

Enclosure

EXHIBIT A

November 29, 2023

Filed via the LWDA's PAGA Claim Notice Online Form

Copies Sent via Certified U.S. Mail to:

Human Resources
Central Irrigation, Inc.
2941 S. State Highway 59
Merced, CA 95341

Central Irrigation, Inc.
c/o Keith R. Yamamoto
2941 S. State Highway 59
Merced, CA 95341

Re: *Martha Sanchez Padilla v. Central Irrigation, Inc.*
Notice of Intent to File Suit Pursuant to California Labor Code
Section 2699

To Whom It May Concern:

This office represents Martha Sanchez Padilla ("Plaintiff") and a group of the putative class members in a forthcoming lawsuit against Central Irrigation, Inc. ("Defendant"). The action, entitled *Martha Sanchez Padilla v. Central Irrigation, Inc.*, is to be filed in the Superior Court of the State of California for the County of Madera (the "Action"). A copy of the complaint as currently drafted, and as is intended to be filed in the Action, is enclosed as **Exhibit A**. This letter incorporates by reference the facts, law, and allegations of Exhibit A.

This letter serves as notice pursuant to the California Labor Code Private Attorneys General Act of 2004 ("PAGA"), codified at California Labor Code sections 2698 through 2699.6, that we intend to include representative claims in the Action for civil penalties under PAGA on behalf of a group of aggrieved employees. For the purposes of this letter, "Aggrieved Employees" is defined as: *All individuals who are or were employed by Defendant(s) as non-exempt employees in California, from one year prior to the mailing of this notice through the date of trial.*

As set forth in more detail in Exhibit A, Defendant violated its obligations to Plaintiff and the Aggrieved Employees under California law by: failing to pay minimum wages for all hours worked, failing to pay all overtime wages earned, failing to provide lawful rest periods and pay missed rest period premiums, failing to provide lawful meal periods and pay missed meal period premiums, failing to maintain accurate records, failing to reimburse all necessary business expenses, failing to provide accurate and complete wage statements, failing to pay all wages in full and on time during employment, and failing to pay all wages due upon termination.

Notice of Intent to File PAGA Action

November 29, 2023

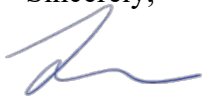
Page 2 of 2

Because of these systemic violations, Defendant violated: Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 256, 510, 512, 1174, 1174.5, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802, 2084, and California Industrial Welfare Commission Wage Orders Wage Order 14-2001, and others that may be applicable. (Cal. Code of Regs., tit. 8, § 11140.) The enclosed Complaint further details: **(1)** the alleged violations; **(2)** the facts and theories supporting these violations; **(3)** the people and entities, dates, classifications, violations, events, and actions at issue; and **(4)** the illegal practices instituted by Defendant.

Together with this correspondence, the enclosed complaint provides notice that we intend to proceed with a claim for civil penalties in the Action pursuant to PAGA. (See Lab. Code, §§ 2698–2699.6.) We intend to fully prosecute the representative claims alleged in the complaint, including by obtaining civil penalties under PAGA.

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jonathan Melmed', with a stylized flourish at the end.

JONATHAN MELMED

Enclosure

EXHIBIT “A”

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Attorneys for Plaintiff and the Putative Class

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

MARTHA SANCHEZ PADILLA, an individual,
on behalf of herself and all others similarly
situated,

Plaintiff,

v.

CENTRAL IRRIGATION, INC., a California
corporation; and DOES 1 TO 50,

Defendants.

Case Number:

Class Action Complaint For:

1. Failure to Pay All Minimum Wages,
2. Failure to Pay All Overtime Wages,
3. Failure to Provide Rest Periods and Pay Missed Rest Period Premiums,
4. Failure to Provide Meal Periods and Pay Missed Meal Period Premiums,
5. Failure to Maintain Accurate Employment Records,
6. Failure to Pay Wages Timely during Employment,
7. Failure to Pay All Wages Earned and Unpaid at Separation,
8. Failure to Indemnify All Necessary Business Expenditures,
9. Failure to Furnish Accurate Itemized Wage Statements, and

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10. Violations of California’s Unfair
Competition Law (Bus. & Prof. Code, §§
17200–17210).

Demand for Jury Trial

1 Plaintiff Martha Sanchez Padilla (“Plaintiff”), on behalf of herself and all other similarly
2 situated employees within the State of California, complains and alleges of defendants Central
3 Irrigation, Inc. and Does 1 to 50 (collectively, “Defendants”), and each of them, as follows:

4 **I. INTRODUCTION**

5 1. This is a class action complaint brought pursuant to California Code of Civil Procedure
6 section 382.

7 2. The “Class Period” as used herein, is defined as the period from four years prior to the
8 filing of this action and continuing into the present and ongoing. Defendants’ violations of California’s
9 laws as described more fully below have been ongoing throughout the Class Period and are still
10 ongoing.

11 3. Plaintiff brings this class action on behalf of herself and the following class: *All*
12 *individuals who are or were employed by Defendants as non-exempt employees in California during*
13 *the Class Period* (the “Class Members”). (Code Civ. Proc., § 382.)

14 4. Plaintiff brings this action on behalf of herself and the Class Members, as a class action,
15 against Defendants for:

- 16 A. Failure to pay all minimum wages,
- 17 B. Failure to pay all overtime wages,
- 18 C. Failure to provide rest periods and pay missed rest period premiums,
- 19 D. Failure to provide meal periods and pay missed meal period premiums,
- 20 E. Failure to maintain accurate employment records,
- 21 F. Failure to pay wages timely during employment,
- 22 G. Failure to pay all wages earned and unpaid at separation,
- 23 H. Failure to indemnify all necessary business expenditures,
- 24 I. Failure to furnish accurate itemized wage statements, and
- 25 J. Violations of California’s Unfair Competition Law (“UCL”) (Bus. & Prof.
26 Code, §§ 17200–17210).

27 5. Plaintiff is informed and believes and thereon alleges that the California Industrial
28 Welfare Commission (“IWC”) Wage Order applicable to the facts of this case is IWC Wage Order 14-

2001 (the “Applicable Wage Order”) and possibly others that may be applicable. (Cal. Code of Regs., tit. 8, § 11140.) Plaintiff reserves the right to amend or modify the definition of “Applicable Wage Order” with greater specificity or add additional IWC Wage Orders if additional applicable wage orders are discovered in litigation.

II. JURISDICTION & VENUE

6. This Court has subject matter jurisdiction over all causes of action asserted herein pursuant to Article VI, section 10, of the California Constitution and Code of Civil Procedure section 410.10 because this is a civil action in which the matter in controversy, exclusive of interest, exceeds \$25,000, and because each cause of action asserted arises under the laws of the State of California or is subject to adjudication in the courts of the State of California.

7. This Court has personal jurisdiction over Defendants because Defendants have caused injuries in the County of Madera and the State of California through their acts, and by their violation of the California Labor Code and California state common law. Defendants transact millions of dollars of business within the State of California. Defendants own, maintain offices, transact business, have an agent or agents within the County of Madera, and/or otherwise are found within the County of Madera, and Defendants are within the jurisdiction of this Court for purposes of service of process.

8. Venue as to Defendants is proper in this judicial district, pursuant to section 395 of the Code of Civil Procedure. Defendants operate within California and do business within Madera County, California. The unlawful acts alleged herein have a direct effect on Plaintiff and all of Defendants’ employees identified above within Madera County and surrounding counties where Defendants may remotely operate.

9. This matter is not appropriate for removal under the Class Action Fairness Act (28 U.S.C. § 1332) as the amount in controversy for Plaintiff’s and the Class Members’ claims, in aggregate, is less than \$5 million. Additionally, all the allegations herein occurred in the State of California. As such, even if the amount in controversy did exceed \$5 million this matter would still not be appropriate for removal under the “local controversy” exception to the Class Action Fairness Act. (28 U.S.C. § 1332, subd. (d)(4)(A).)

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1 **III. THE PARTIES**

2 **A. PLAINTIFF**

3 10. At all relevant times, Plaintiff, who is over the age of 18, was and currently is a citizen
4 of California residing in the State of California. Defendants employed Plaintiff as a non-exempt hourly
5 employee.

6 11. Plaintiff brings this action on behalf of herself and the following class pursuant to
7 section 382 of the Code of Civil Procedure as follows: *All individuals who are or were employed by*
8 *Defendants as non-exempt employees in California during the Class Period* (the “Class Members”).

9 12. The Class Members, at all times pertinent hereto, are or were employees of Defendants
10 during the relevant statutory period.

11 **B. DEFENDANTS**

12 13. Plaintiff is informed and believes and thereon alleges that Defendants were authorized
13 to and doing business in Madera County and is and/or was the legal employer of Plaintiff and the other
14 Class Members during the applicable statutory periods. Plaintiff and the other Class Members were,
15 and are, subject to Defendants’ policies and/or practices complained of herein and have been deprived
16 of the rights guaranteed to them by: California Labor Code sections 201, 202, 203, 204, 210, 226,
17 226.3, 226.7, 256, 510, 512, 1174, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802, 2804,
18 and others that may be applicable; California Business and Professions Code sections 17200 through
19 17210 (“UCL”); and the Applicable Wage Order (Cal. Code of Regs., tit. 8, § 11140).

20 14. Plaintiff is informed and believes, and based thereon alleges, that during the Class
21 Period, Defendants did (and continue to do) business in the State of California, County of Madera.

22 15. Plaintiff does not know the true names or capacities, whether individual, partner, or
23 corporate, of the defendants sued herein as Does 1 to 50, inclusive, and for that reason, said defendants
24 are sued under such fictitious names, and Plaintiff will seek leave from this Court to amend this
25 complaint when such true names and capacities are discovered. Plaintiff is informed, and believes, and
26 thereon alleges, that each of said fictitious defendants, whether individual, partners, or corporate, were
27 responsible in some manner for the acts and omissions alleged herein, and proximately caused Plaintiff
28 and the other Class Members to be subject to the unlawful employment practices, wrongs, injuries, and

1 damages complained of herein.

2 16. Plaintiff is informed, and believes, and thereon alleges, that at all times mentioned
3 herein, Defendants were and/or are the employers of Plaintiff and the other Class Members. At all times
4 herein mentioned, each of said Defendants participated in the doing of the acts hereinafter alleged to
5 have been done by the named Defendants. Furthermore, the Defendants, and each of them, were the
6 agents, servants, and employees of each and every one of the other Defendants, as well as the agents
7 of all Defendants, and at all times herein mentioned were acting within the course and scope of said
8 agency and employment. Defendants, and each of them, approved of, condoned, or otherwise ratified
9 every one of the acts or omissions complained of herein.

10 17. At all relevant times, Defendants, and each of them, were members of and engaged in a
11 joint venture, partnership, and common enterprise, and acting within the course and scope of and in
12 pursuance of said joint venture, partnership, and common enterprise. Further, Plaintiff is informed, and
13 believes, and thereon alleges, that all Defendants were joint employers for all purposes of Plaintiff and
14 the other Class Members.

15 **IV. COMMON FACTS & ALLEGATIONS**

16 18. Plaintiff and the other Class Members (collectively, the “Class Members”) are, and were
17 at all relevant times, employed by the Defendants within the State of California.

18 19. The Class Members are, and were, at all relevant times, non-exempt employees for the
19 purposes of minimum wages, overtime, rest breaks, meal periods, and the other claims alleged in this
20 complaint.

21 20. Specifically, Plaintiff was employed by Defendants within the statutory Class Period,
22 working as an hourly, non-exempt clerk/cashier for Defendants.

23 **A. MINIMUM WAGE VIOLATIONS**

24 21. Labor Code section 1197 requires employees to be paid at least the minimum wage fixed
25 by the IWC, and any payment of less than the minimum wage is unlawful. Similarly, Labor Code
26 section 1194 entitles “any employee receiving less than the legal minimum wage . . . to recover in a
27 civil action the unpaid balance of the full amount of this minimum wage.” Likewise, the Applicable
28 Wage Order also obligates employers to pay each employee minimum wages for all hours worked.

1 (Cal. Code of Regs., tit. 8, § 11140.) Labor Code section 1198 makes unlawful the employment of an
2 employee under conditions that the IWC Wage Orders prohibit.

3 22. These minimum wage standards apply to each hour that employees work. Therefore, an
4 employer's failure to pay for any particular time worked by an employee is unlawful, even if averaging
5 an employee's total pay over all hours worked, paid or not, results in an average hourly wage above
6 minimum wage. (*Armenta v. Osmose, Inc.* (2005) 135 Cal.App.4th 314, 324.)

7 23. Here, Defendants failed to fully conform their pay practices to the requirements of the
8 law during the relevant statutory periods. The Class Members were not compensated for all hours
9 worked including, but not limited to, all hours they were subject to the control of Defendants and/or
10 suffered or permitted to work under the California Labor Code and the Applicable Wage Order. Among
11 other violations, the Class Members were subject to the control of Defendants while off-the-clock and
12 did not receive minimum wage for each hour worked.

13 24. Labor Code sections 1194, subdivision (a), and 1194.2, subdivision (a), provide that an
14 employer who has failed to pay its employees the legal minimum wage is liable to pay those employees
15 the unpaid balance of the unpaid wages as well as liquidated damages in an amount equal to the wages
16 due and interest thereon.

17 25. When employees, such as the Class Members, are not paid for all hours worked under
18 Labor Code section 1194, they are entitled to recover minimum wages for the time which they received
19 no compensation. (See *Sillah v. Command International Security Services* (N.D. Cal. 2015) 154
20 F.Supp.3d 891 [employees suing for failure to pay overtime could recover liquidated damages under
21 Labor Code section 1194.2 if they also showed they were paid less than minimum wage].)

22 26. Labor Code section 1197.1 authorizes employees who are paid less than the minimum
23 wage fixed by an applicable state or local law, or by an order of the IWC, a civil penalty, among other
24 damages, as follows:

- 25 (1) "For any initial violation that is intentionally committed, one hundred
26 dollars (\$100) for each underpaid employee for each pay period for
27 which the employee is underpaid."

28 ///

1 (2) “For each subsequent violation for the same specific offense, two
2 hundred fifty dollars (\$250) for each underpaid employee for each pay
3 period for which the employee is underpaid regardless of whether the
4 initial violation is intentionally committed.” (Lab. Code, § 1197.1, subd.
5 (a).)

6 27. As set forth above, Defendants failed to fully compensate the Class Members for all
7 minimum wages. Accordingly, the Class Members are entitled to recover liquidated damages for
8 violations of Labor Code section 1197.1.

9 28. Based upon these same factual allegations, the Class Members are likewise entitled to
10 penalties under Labor Code sections 1199.

11 **B. OVERTIME VIOLATIONS**

12 29. Labor Code section 510 requires employers to compensate employees who work more
13 than eight hours in one workday, forty hours in a workweek, and for the first eight hours worked on
14 the seventh consecutive day no less than one and one-half times the regular rate of pay for an employee.
15 (Lab. Code, § 510, subd. (a).) Further, Labor Code section 510 obligates employers to compensate
16 employees at no less than twice the regular rate of pay when an employee works more than twelve
17 hours in a day or more than eight hours on the seventh consecutive day of work. (Lab. Code, § 510,
18 subd. (a).)

19 30. IWC Wage Order 14-2001, section 3(A), is similar, but provides in pertinent part:

20 “(1) Such employees shall not be employed more than ten (10) hours in any
21 one workday or more than six (6) days in any workweek unless the
22 employee receives one and one-half (1½) times such employee’s regular
23 rate of pay for all hours worked over ten (10) hours in any workday and
24 for the first eight (8) hours on the seventh (7th) day of work and double
25 the employee’s regular rate of pay for all hours worked over eight (8) on
26 the seventh (7th) day of work in the workweek.

27 “(2) For employers of more than 25 employees:

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1 “(a) Starting January 1, 2019, an employee shall not be employed more than
2 nine and one-half (9½) hours per workday or fifty-five (55) hours per
3 workweek unless the employee receives one and one-half (1½) times
4 such employee’s regular rate of pay for all hours worked over nine and
5 one-half (9½) hours in any one workday or more than fifty-five (55)
6 hours in any one workweek.

7 “(b) Starting January 1, 2020, an employee shall not be employed more than
8 nine (9) hours per workday or fifty (50) hours per workweek unless the
9 employee receives one and one-half (1½) times such employee’s regular
10 rate of pay for all hours worked over nine (9) hours in any one workday
11 or more than fifty (50) hours in any one workweek.” (Cal. Code of Regs.,
12 tit. 8, § 11140, subd. 3.)

13 31. In accordance with Labor Code section 1194 and the Applicable Wage Order, the Class
14 Members could not then agree and cannot now agree to work for a lesser wage than the amount
15 provided by Labor Code sections 510 or the Applicable Wage Order.

16 32. Here, Defendants violated their duty to accurately and completely compensate the Class
17 Members for all overtime worked. The Class Members periodically worked hours that entitled them to
18 overtime compensation under the law but were not fully compensated for those hours.

19 33. These actions were and are in clear violation of California’s overtime laws as set forth
20 in Labor Code sections 510, 1194, 1199, and the Applicable Wage Order. (Cal. Code of Regs., tit. 8, §
21 11140.) As a result of Defendants’ faulty policies and practices, the Class Members were not
22 compensated for all hours worked or paid accurate overtime compensation.

23 **C. REST BREAK VIOLATIONS**

24 34. Pursuant to Labor Code section 226.7 and the Applicable Wage Order, Defendants were
25 and are required to provide the Class Members with compensated, duty-free rest periods of not less
26 than ten minutes for every major fraction of four hours worked. Under the Applicable Wage Order, an
27 employer must authorize and permit all employees to take ten minute duty free rest periods for every
28 major fraction of four hours worked. (Cal. Code of Regs., tit. 8, § 11140.)

1 35. Likewise, Labor Code section 226.7 provides that “[a]n employer shall not require an
2 employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute,
3 or applicable regulation, standard, or order of the Industrial Welfare Commission” (Lab. Code, §
4 226.7, subd. (b).) Labor Code section 226.7 also provides that employers must pay their employees one
5 additional hour of pay at the employee’s regular rate for each workday that a “meal or rest or recovery
6 period is not provided.” (Lab. Code, § 226.7, subd. (c).) The “regular rate” for these purposes must
7 factor in all nondiscretionary payments for work performed by the employee, including non-
8 discretionary bonuses, commissions, and other forms of wage payments exceeding the employees’ base
9 hourly rate. (*Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 878.) Thus, the Wage
10 Orders set when and for how long the rest period must take place and the Labor Code establishes that
11 violations of the IWC Wage Orders are unlawful and sets forth the premium pay employer must pay
12 their employees when employers fail to provide rest periods.

13 36. The California Supreme Court has held that, during required rest periods, “employers
14 must relieve their employees of all duties and relinquish any control over how employees spend their
15 break time.” (*Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th 257, 260.) Relinquishing
16 control over employees during rest periods requires that employees be “free to leave the employer’s
17 premises” and be “permitted to attend to personal business.” (*Id.* at p. 275.) The *Brinker* Court
18 explained in the context of rest breaks that employer liability attaches from adopting an unlawful
19 policy:

20 “An employer is required to authorize and permit the amount of rest break time
21 called for under the wage order for its industry. If it does not—if, for example,
22 it adopts a uniform policy authorizing and permitting only one rest break for
23 employees working a seven-hour shift when two are required—it has violated
24 the wage order and is liable.” (*Brinker Rest. Corp. v. Superior Court* (2012) 53
25 Cal.4th 1004, 1033.)

26 37. Here, Defendants periodically did not permit the Class Members to take compliant duty-
27 free rest breaks, free from Defendants’ control as required by Labor Code section 226.7, the Applicable
28 Wage Order, and applicable precedent. (See *Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th

1 257, 269 [concluding that “during rest periods employers must relieve employees of all duties and
2 relinquish control over how employees spend their time.”].) At all relevant times, the Class Members
3 were periodically not provided with legally-compliant and timely rest periods of at least ten minutes
4 for each four hour work period, or major fraction thereof due to Defendants’ unlawful rest period
5 policies/practices. The Class Members were often expected and required to continue working through
6 rest periods to meet the expectations Defendants and finish the workday. In some cases when the Class
7 Members worked more than ten hours in a shift, Defendants failed to authorize and/or permit a third
8 mandated rest period. As a result, the Class Members were periodically unable to take compliant rest
9 periods.

10 38. In such cases where Defendants did not offer the Class Members the opportunity to
11 receive a compliant off-duty rest period, “the court may not conclude employees voluntarily chose to
12 skip those breaks.” (*Alberts v. Aurora Behavioral Health Care* (2015) 241 Cal.App.4th 388, 410 (2015)
13 [“If an employer fails to provide legally compliant meal or rest breaks, the court may not conclude
14 employees voluntarily chose to skip those breaks.”]; *Brinker Rest. Corp. v. Superior Court, supra*, 53
15 Cal.4th at p. 1033 [“No issue of waiver ever arises for a rest break that was required by law but never
16 authorized; if a break is not authorized, an employee has no opportunity to decline to take it.”].)

17 39. In addition to failing to authorize and permit compliant rest periods, the Class Members
18 were not compensated with one hour’s worth of pay at their regular rate of compensation when they
19 were not provided with a compliant rest period in accordance with Labor Code section 226.7,
20 subdivision (c). Thus, Defendants have violated Labor Code section 226.7 and the Applicable Wage
21 Order.

22 40. Based on the foregoing, Plaintiff seeks to recover, on behalf of herself and other non-
23 exempt employees, rest period premiums and penalties.

24 **D. MEAL BREAK VIOLATIONS**

25 41. Labor Code section 512 and the Applicable Wage Order require employers to provide
26 employees with a thirty-minute uninterrupted and duty-free meal period within the first five hours of
27 work. (Lab. Code, § 512, subd. (a) [“An employer shall not employ an employee for a work period of
28 more than five hours per day without providing the employee with a meal period of not less than 30

1 minutes”]; Cal. Code of Regs., tit. 8, § 11140 [“No employer shall employ any person for a work
2 period of more than five (5) hours without a meal period of not less than 30 minutes”].)
3 Additionally, an employee who works more than ten hours per day is entitled to receive a second thirty-
4 minute uninterrupted and duty-free meal period. (Lab. Code, § 512, subd. (a) [“An employer shall not
5 employ an employee for a work period of more than 10 hours per day without providing the employee
6 with a second meal period of not less than 30 minutes”].)

7 42. “An on-duty meal period is permitted only when the nature of the work prevents an
8 employee from being relieved of all duty and the parties agree in writing to an on-duty paid meal
9 break.” (*Lubin v. The Wackenhut Corp.* (2016) 5 Cal.App.5th 926, 932.) The written agreement must
10 include a provision allowing the employee to revoke it at any time. (*Ibid.*) Generally, the California
11 Department of Industrial Relations, Division of Labor Standards Enforcement (“DLSE”) and courts
12 have “found that the nature of the work exception applies: (1) where the work has some particular
13 external force that requires the employee to be on duty at all times, and (2) where the employee is the
14 sole employee of a particular employer.” (*Id.* at p. 945, internal quotation marks omitted; *Abdullah v.*
15 *U.S. Security Associates, Inc.* (9th Cir. 2013) 731 F.3d 952, 958–959.) “[I]t is the employer’s obligation
16 to determine whether the nature of the work prevents an employee from being relieved before requiring
17 an employee to take an on-duty meal period.” (*Lubin v. The Wackenhut Corp.*, *supra*, 5 Cal.App.5th at
18 p. 946.)

19 43. Here, the Class Members were never asked to sign any enforceable document agreeing
20 to an on-duty meal period. Moreover, nothing in the nature of their work involved the kind of “external
21 force” that might justify on-duty meal breaks. (*Lubin v. The Wackenhut Corp.*, *supra*, 5 Cal.App.5th at
22 p. 945.) Nevertheless, Defendants periodically did not provide compliant off-duty meal periods within
23 the first five hours of work for the Class Members.

24 44. As with rest breaks, meal breaks must be duty-free. (*Brinker Restaurant Corp. v.*
25 *Superior Court* (2012) 53 Cal.4th 1004, 1035 [“The IWC’s wage orders have long made a meal period’s
26 duty-free nature its defining characteristic.”].) Relinquishing control over employees during meal
27 periods requires that employees be “free to leave the employer’s premises” and be “permitted to attend
28 to personal business.” (*Augustus v. ABM Security Services, Inc.*, *supra*, 2 Cal.5th at p. 275.) Under

1 Labor Code section 512, if an employer maintains a uniform policy that does not authorize and permit
2 the amount of meal time called for under the law (as specified in the Labor Code and/or applicable
3 IWC Wage Order), “it has violated the wage order and is liable.” (*Brinker Restaurant Corp. v. Superior*
4 *Court, supra*, 53 Cal.4th at p. 1033.)

5 45. During the applicable statutory periods here, the Class Members were periodically
6 denied legally-compliant and timely off-duty meal periods of at least thirty minutes due to Defendants’
7 unlawful meal period policy and practices. As a result of Defendants’ uniform meal period policies and
8 practices, the Class Members were often not permitted to take compliant first meal periods before the
9 end of the fifth hour of work. The Class Members were also periodically not permitted to take second
10 meal periods for shifts in excess of ten hours. Defendants thus violated Labor Code section 512 and
11 the Applicable Wage Order by failing to advise, authorize, or permit the Class Members to receive
12 thirty-minute, off-duty meal periods within the first five hours of their shifts.

13 46. Labor Code section 226.7 provides that “[a]n employer shall not require an employee
14 to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or
15 applicable regulation, standard, or order of the Industrial Welfare Commission.” (Lab. Code, § 226.7,
16 subd. (b).) Labor Code section 226.7, subdivision (c), and the Applicable Wage Order further obligate
17 employers to pay employees one additional hour of pay at the employee’s regular rate of compensation
18 for each workday that the meal period is not provided. (Lab. Code, § 226.7, subd. (c); Cal. Code of
19 Regs., tit. 8, § 11140 [“If an employer fails to provide an employee a meal period in accordance with
20 the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the
21 employee’s regular rate of compensation for each workday that the meal period is not provided.”].)
22 The “regular rate” for these purposes must factor in all nondiscretionary payments for work performed
23 by the employee, including non-discretionary bonuses, commissions, and other forms of wage
24 payments exceeding the employees’ base hourly rate. (*Ferra v. Loews Hollywood Hotel, LLC* (2021)
25 11 Cal.5th 858, 878.)

26 47. Accordingly, for each day that the Class Members did not receive compliant meal
27 periods, they were and are entitled to receive meal period premiums pursuant to Labor Code section
28 226.7 and the Applicable Wage Order. Defendants, however, failed to pay the Class Members

1 applicable meal period premiums for many workdays that the employees did not receive a compliant
2 meal period. Thus, Defendants have violated Labor Code section 226.7 and the Applicable Wage
3 Order.

4 48. Based on the foregoing, Plaintiff seeks to recover, on behalf of herself and other non-
5 exempt employees, meal period premiums and penalties.

6 **E. UNTIMELY WAGES DURING EMPLOYMENT**

7 49. Labor Code section 204 expressly requires employers who pay employees on a weekly,
8 biweekly, or semimonthly basis to pay all wages “not more than seven calendar days following the
9 close of the payroll period.” Labor Code section 210, subdivision (a), makes employers who violate
10 Labor Code section 204 subject to a penalty of:

11 “(1) For any initial violation, one hundred dollars (\$100) for each failure to
12 pay each employee.

13 “(2) For each subsequent violation, or any willful or intentional violation, two
14 hundred dollars (\$200) for each failure to pay each employee, plus 25
15 percent of the amount unlawfully withheld.” (Lab. Code, § 210, subd.
16 (a).)

17 50. Notably, the penalty provided by Labor Code section 210 is “[i]n addition to, and
18 entirely independent and apart from, any other penalty provided in this article . . .” (Lab. Code, § 210,
19 subd. (a).)

20 51. Due to Defendants’ failure to pay the Class Members the wages described above, along
21 with rest and meal break premiums, Defendants failed to timely pay the Class Members within seven
22 calendar days following the close of payroll in accordance with Labor Code section 204 on a regular
23 and consistent basis. (See *Parson v. Golden State FC, LLC* (N.D. Cal., May 2, 2016, No. 16-CV-00405-
24 JST) 2016 WL 1734010, at p. *3–5, 2016 U.S. Dist. LEXIS 58299 [finding that a failure to pay rest
25 period premiums can support claims under Labor Code sections 203 and 204].)

26 **F. UNTIMELY WAGES AT SEPARATION**

27 52. Labor Code section 203 provides “if an employer willfully fails to pay . . . any wages
28 of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty”

1 for up to thirty days. (Lab. Code § 203; *Mamika v. Barca* (1998) 68 Cal.App.4th 487, 492.) As a result
2 of Defendants' failure to pay the Class Members for the wages described above, along with rest and
3 meal break premiums, Defendants violated and continue to violate Labor Code section 203.

4 53. Due to Defendants' faulty pay policies, those Class Members whose employment with
5 Defendants concluded were not compensated for each and every hour worked at the appropriate rate.
6 Defendants have failed to pay formerly-employed Class Members whose sums were certain at the time
7 of termination within at least seventy-two hours of their resignation and have failed to pay those sums
8 for thirty days thereafter.

9 **G. FAILURE TO REIMBURSE BUSINESS EXPENSES**

10 54. At all relevant times herein, Defendants were subject to Labor Code section 2802, which
11 states that "an employer shall indemnify his or her employees for all necessary expenditures or losses
12 incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her
13 obedience to the directions of the employer." The purpose of this section is to "prevent employers from
14 passing along their operating expenses onto their employees." (*Gattuso v. Harte-Hanks Shoppers, Inc.*
15 (2007) 42 Cal.4th 554, 562.)

16 55. At all relevant times herein, Defendants were subject to Labor Code section 2804, which
17 states that "any contract or agreement, express or implied, made by any employee to waive the benefits
18 of this article or any part thereof, is null and void, and this article shall not deprive any employee or his
19 personal representative of any right or remedy to which he is entitled under the laws of this State."

20 56. Thus, the Class Members were and are entitled to reimbursement for the expenses they
21 incurred during the course of their duties. The duty to reimburse even extends to the use of equipment
22 the employee may already own and would be required to pay for anyway. (*Cochran v. Schwan's Home*
23 *Serv., Inc.* (2014) 228 Cal.App.4th 1137, 1144 ["The threshold question in this case is this: Does an
24 employer always have to reimburse an employee for the reasonable expense of the mandatory use of a
25 personal cell phone, or is the reimbursement obligation limited to the situation in which the employee
26 incurred an extra expense that he or she would not have otherwise incurred absent the job? The answer
27 is that reimbursement is always required. Otherwise, the employer would receive a windfall because it
28 would be passing its operating expenses on to the employee."].)

1 57. Here, Defendants failed to fully reimburse the Class Members for necessary
2 expenditures incurred as a direct consequence and requirement of performing their job duties, including
3 the costs associated with their personal cell phone they required to perform their work. Consequently,
4 Defendants failed to comply with Labor Code section 2802.

5 **H. WAGE STATEMENT VIOLATIONS**

6 58. Defendants also failed to provide accurate itemized wage statements in accordance with
7 Labor Code sections 226, subdivisions (a)(1), (2), (5), and (9). Labor Code section 226, subdivision
8 (a), obligates employers, semi-monthly or at the time of each payment to furnish an itemized wage
9 statement in writing showing:

- 10 (1) The gross wages earned;
- 11 (2) The total hours worked by the employee;
- 12 (3) The number of piece-rate units earned and any applicable piece rate if
13 the employee is paid on a piece rate basis;
- 14 (4) All deductions, provided that all deductions made on written orders of
15 the employee may be aggregated and shown as one item;
- 16 (5) The net wages earned;
- 17 (6) The inclusive dates of the period for which the employee is paid;
- 18 (7) The name of the employee and only the last four digits of his or her social
19 security number or an employee identification number other than a social
20 security number;
- 21 (8) The name and address of the legal entity that is the employer; and
- 22 (9) All applicable hourly rates in effect during the pay period and the
23 corresponding number of hours worked at each hourly rate by the
24 employee.

25 59. Due to Defendants' failure to pay the Class Members properly as described above, the
26 wage statements issued do not indicate the correct amount of gross wages earned, total hours worked,
27 or the net wages earned, or the applicable hourly rates in effect during the pay period and the
28 corresponding number of hours worked at each hourly rate. Thus, Defendants have violated Labor

1 Code section 226, subdivisions (a)(1), (2), (5), and (9).

2 60. In addition to Labor Code section 226, subdivision (a), Defendants also knowingly and
3 intentionally failed to provide the Class Members with accurate itemized wage statements in violation
4 of Labor Code section 226, subdivision (e). Defendants knew that they were not providing the Class
5 Members with wage statements required by California law but nevertheless failed to correct their
6 unlawful practices and policies. (See *Garnett v. ADT LLC* (E.D. Cal. 2015) 139 F.Supp.3d 1121, 1134
7 [finding the defendant knowingly and intentionally violated Labor Code section 226 because the
8 “[d]efendant knew that it was not providing total hours worked to plaintiff or other employees paid on
9 commission” even though it believed that employees paid solely on commission or commission and
10 salary “are exempt and therefore we do not record hours on a wage statement.”].)

11 **I. RECORDKEEPING VIOLATIONS**

12 61. Labor Code section 226, subdivision (a), requires employers to keep an accurate record
13 of, among other things, all hours worked by employees. Labor Code section 226.3 provides, in pertinent
14 part, as follows:

15 “Any employer who violates subdivision (a) of Section 226 shall be subject to a
16 civil penalty in the amount of two hundred fifty dollars (\$250) per employee per
17 violation in an initial citation and one thousand dollars (\$1,000) per employee
18 for each violation in a subsequent citation, for which the employer fails to
19 provide the employee a wage deduction statement or fails to keep the records
20 required in subdivision (a) of Section 226. The civil penalties provided for in
21 this section are in addition to any other penalty provided by law.” (Lab. Code, §
22 226.3, emphasis added.)

23 62. Likewise, Labor Code section 1174, subdivision (d), requires every employer, including
24 Defendants, to:

25 “Keep, at a central location in the state or at the plants or establishments at which
26 employees are employed, payroll records showing the hours worked daily by
27 and the wages paid to, and the number of piece-rate units earned by and any
28 applicable piece rate paid to, employees employed at the respective plants or

1 establishments. These records shall be kept in accordance with rules established
2 for this purpose by the commission, but in any case shall be kept on file for not
3 less than three years. An employer shall not prohibit an employee from
4 maintaining a personal record of hours worked, or, if paid on a piece-rate basis,
5 piece-rate units earned.” (Lab. Code, § 1174, subd. (d), emphasis added.)

6 63. As explained in detail above, Defendants failed to provide the Class Members with
7 accurate itemized wage statements. Defendants did so, in part, because they failed to accurately track
8 hours worked by the Class Members. Defendants have thus failed to keep accurate records of the “total
9 hours worked by the employee[s]” in violation of Labor Code section 226, subdivision (a), and are
10 therefore subject to the penalties provided by Labor Code section 226.3. These penalties are “in
11 addition to any other penalty provided by law.” (Lab. Code, § 226.3.)

12 64. The failure to accurately track hours worked also resulted in a failure of Defendants to
13 keep a record of all “payroll records showing the hours worked daily by” Defendants’ employees,
14 including Plaintiff and the other Class Members, in violation of Labor Code section 1174, subdivision
15 (d).

16 **V. CLASS ACTION ALLEGATIONS**

17 65. As mentioned above, Plaintiff brings this action on behalf of herself and the Class
18 Members pursuant to section 382 of the Code of Civil Procedure.

19 66. **Numerosity/Ascertainability:** The Class Members are so numerous that joinder of all
20 members would be unfeasible and not practicable. The membership of the class is unknown to Plaintiff
21 at this time; however, it is estimated that the number of Class Members is greater than 100 individuals.
22 The identity of such membership is readily ascertainable via inspection of Defendants’ employment
23 records.

24 67. **Common Questions of Law and Fact Predominate/Well Defined Community of**
25 **Interest:** There are common questions of law and fact as to Plaintiff and all other similarly situated
26 non-exempt employees, which predominate over questions affecting only individual members
27 including, without limitation to:

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1 A. Whether Defendants' pay policies/practices resulted in a failure to pay the Class
2 Members for all hours worked, including all minimum wages;

3 B. Whether Defendants' pay policies/practices resulted in a failure to pay the Class
4 Members for all required overtime wages at the Class Members' regular rate of pay;

5 C. Whether Defendants' rest period policies and practices afforded legally
6 compliant rest periods or compensation in lieu thereof;

7 D. Whether Defendants' meal period policies and practices afforded legally
8 compliant meal periods or compensation in lieu thereof;

9 E. Whether Defendants maintained accurate employment records;

10 F. Whether Defendants timely paid all wages during employment;

11 G. Whether Defendants timely paid all wages earned and unpaid at separation;

12 H. Whether Defendants indemnified their employees for all necessary business
13 expenditures;

14 I. Whether Defendants furnished legally-compliant wage statements to the Class
15 Members pursuant to Labor Code section 226; and

16 J. Whether Defendants' violations of the Labor Code and the Applicable Wage
17 Order amounted to a violation of California's UCL.

18 68. **Predominance of Common Questions:** Common questions of law and fact
19 predominate over questions that affect only individual Class Members. The common questions of law
20 set forth above are numerous and substantial and stem from Defendants' uniform policies and practices
21 applicable to each individual class member, such as Defendants' uniform policy and practice of failing
22 to pay for all hours worked, Defendants' uniform policies and practices which failed to provide
23 compliant rest periods, Defendants' uniform policies and practices which failed to provide compliant
24 meal periods, Defendants' failure to provide accurate itemized wage statements, and others. As such,
25 the common questions predominate over individual questions concerning each individual class
26 member's showing as to his or her eligibility for recovery or as to the amount of his or her damages.

27 69. **Typicality:** The claims of Plaintiff are typical of the claims of the Class Members
28 because Plaintiff was employed by Defendants as a non-exempt employee in California during the

1 statute(s) of limitation applicable to each cause of action pleaded in this complaint. As alleged herein,
2 Plaintiff, like the other Class Members, was deprived of minimum, regular, and overtime wages
3 because of Defendants' unlawful timekeeping policies and practices, was deprived of rest periods and
4 premium wages in lieu thereof, was deprived of meal periods and premium wages in lieu thereof, was
5 subject to Defendants' uniform rest period policies and practices, was subject to Defendants' uniform
6 meal period policies and practices, was not provided accurate itemized wage statements, was not paid
7 all wages in full and on time, , and was subject to other similar policies and practices to which the Class
8 Members were subject.

9 **70. Adequacy of Representation:** Plaintiff is fully prepared to take all necessary steps to
10 represent fairly and adequately the interests of the Class Members. Moreover, Plaintiff's attorneys are
11 ready, willing, and able to fully and adequately represent the Class Members and Plaintiff. Plaintiff's
12 attorneys have prosecuted numerous wage-and-hour class actions in state and federal court in the past
13 and are committed to vigorously prosecuting this action on behalf of the Class Members.

14 **71. Superiority:** The California Labor Code is broadly remedial in nature and serves an
15 important public interest in establishing minimum working conditions and standards in California.
16 These laws and labor standards protect the average working employee from exploitation by employers
17 who have the responsibility to follow the laws and who may seek to take advantage of superior
18 economic and bargaining power in setting onerous terms and conditions of employment. The nature of
19 this action and the format of laws available to Plaintiff and the Class Members make the class action
20 format a particularly efficient and appropriate procedure to redress the violations alleged herein. If each
21 employee were required to file an individual lawsuit, Defendants would necessarily gain an
22 unconscionable advantage since they would be able to exploit and overwhelm the limited resources of
23 each individual plaintiff with their vastly superior financial and legal resources.

24 **72.** Moreover, requiring each Class Member to pursue an individual remedy would also
25 discourage the assertion of lawful claims by employees who would be disinclined to file an action
26 against their former or current employer for real and justifiable fear of retaliation and permanent
27 damages to their careers at subsequent employment. Further, the prosecution of separate actions by the
28 individual Class Members, even if possible, would create a substantial risk of inconsistent or varying

1 verdicts or adjudications with respect to the individual Class Members against Defendants herein, and
2 which would establish potentially incompatible standards of conduct for Defendants or legal
3 determinations with respect to individual Class Members which would, as a practical matter, be
4 dispositive of the interest of the other Class Members not parties to adjudications or which would
5 substantially impair or impede the ability of the Class Members to protect their interests.

6 73. Further, the claims of the individual Class Members are not sufficiently large to warrant
7 vigorous individual prosecution considering the concomitant costs and expenses attending thereto. As
8 such, the Class Members identified above are maintainable as a class under section 382 of the Code of
9 Civil Procedure.

10 **VI. CAUSES OF ACTION**

11 **First Cause of Action**

12 *Failure to Pay All Minimum Wages*

13 *(Against All Defendants)*

14 74. Plaintiff realleges and incorporates by reference all previous paragraphs.

15 75. Section 4 of the Applicable Wage Order and Labor Code section 1197 establish the right
16 of employees to be paid minimum wages for all hours worked, in amounts set by state law. (Lab. Code,
17 § 1197; Cal. Code of Regs., tit. 8, § 11140.) Labor Code sections 1194, subdivision (a), and 1194.2,
18 subdivision (a), provide that an employee who has not been paid the legal minimum wage as required
19 by Labor Code section 1197 may recover the unpaid balance, together with attorneys' fees and costs
20 of suit, as well as liquidated damages in an amount equal to the unpaid wages and interest accrued
21 thereon.

22 76. Here, Defendants failed to fully conform their pay practices to the requirements of the
23 law during the relevant statutory periods. Plaintiff and the other Class Members were not compensated
24 for all hours worked including, but not limited to, all hours they were subject to the control of
25 Defendants and/or suffered or permitted to work under the Labor Code and the Applicable Wage Order.

26 77. Labor Code section 1198 makes unlawful the employment of an employee under
27 conditions that the IWC Wage Orders prohibit. Labor Code sections 1194, subdivision (a), and 1194.2,
28 subdivision (a), provide that an employer who has failed to pay its employees the legal minimum wage

1 is liable to pay those employees the unpaid balance of the unpaid wages as well as liquidated damages
2 in an amount equal to the wages due and interest thereon.

3 78. As a direct and proximate result of Defendants' unlawful conduct as alleged herein,
4 Plaintiff and the other Class Members have sustained economic damages, including but not limited to
5 unpaid wages and lost interest, in an amount to be established at trial, and they are entitled to recover
6 economic and statutory damages and penalties and other appropriate relief because of Defendants'
7 violations of the Labor Code and Applicable Wage Order.

8 79. Defendants' practices and policies regarding illegal employee compensation are
9 unlawful and create an entitlement to recovery by Plaintiff and the other Class Members in a civil
10 action for the unpaid amount of minimum wages, liquidated damages, including interest thereon,
11 statutory penalties, attorneys' fees, and costs of suit according to Labor Code sections 204, 218.5, 1194,
12 1194.2, 1197, and 1198, and Code of Civil Procedure section 1021.5.

13 **Second Cause of Action**

14 *Failure to Pay All Overtime Wages*

15 *(Against All Defendants)*

16 80. Plaintiff realleges and incorporates by reference all previous paragraphs.

17 81. This cause of action is brought pursuant to Labor Code sections 204, 510, 1194, and
18 1198, which provide that non-exempt employees are entitled to overtime wages for all overtime hours
19 worked and provide a private right of action for the failure to pay all overtime compensation for
20 overtime work performed. At all times relevant herein, Defendants were required to properly pay
21 Plaintiff and the other Class Members for all overtime wages earned pursuant to Labor Code section
22 1194 and the Applicable Wage Order. Defendants caused Plaintiff and the other Class Members to
23 work overtime hours but did not compensate them at one and one-half times their regular rate of pay
24 for such hours in accordance with California law. Likewise, Defendants caused Plaintiff and the other
25 Class Members to work double-time hours but did not compensate them at twice their regular rate of
26 pay for such hours in accordance with California law.

27 82. Defendants failed to fully conform their pay practices to the requirements of California
28 law. This unlawful conduct includes but is not limited to Defendants' uniform and unlawful pay

1 policies and practices of failing to accurately record all the time that non-exempt employees were under
2 the supervision and control of Defendants. The foregoing policies and practices are unlawful and allow
3 Plaintiff and the other Class Members to recover in a civil action the unpaid amount of overtime
4 premiums owing, including interest thereon, statutory penalties, attorneys' fees, and costs of suit
5 according to Labor Code section 204, 510, 1194, and 1198, the Applicable Wage Order, and Code of
6 Civil Procedure section 1021.5.

7 **Third Cause of Action**

8 *Failure to Provide Rest Periods and Pay Missed Rest Period Premiums*

9 *(Against All Defendants)*

10 83. Plaintiff realleges and incorporates by reference all previous paragraphs.

11 84. Section 12 of the Applicable Wage Order, and Labor Code section 226.7 establish the
12 right of employees to be provided with a rest period of at least ten minutes for each four hour period
13 worked, or major fraction thereof. (See Cal. Code of Regs., tit. 8, § 11140.)

14 85. Due to Defendants' unlawful rest period policies and practices described in detail above,
15 Defendants did not authorize and permit Plaintiff and the other Class Members to take all rest periods
16 to which they were legally entitled. Despite Defendants' violations, Defendants have not paid an
17 additional hour of pay to Plaintiff and the other Class Members at their respective regular rates of pay
18 for each violation, in accordance with California Labor Code section 226.7.

19 86. The foregoing violations create an entitlement to recovery by Plaintiff and the other
20 Class Members in a civil action for the unpaid amount of rest period premiums owing, including interest
21 thereon, statutory penalties, and costs of suit pursuant to the Applicable Wage Order, and California
22 Labor Code section 226.7.

23 **Fourth Cause of Action**

24 *Failure to Provide Meal Periods and Pay Missed Meal Period Premiums*

25 *(Against All Defendants)*

26 87. Plaintiff realleges and incorporates by reference all previous paragraphs.

27 88. Plaintiff is informed and believes and thereon alleges, that Defendants failed in their
28 affirmative obligation to provide their hourly non-exempt employees, including Plaintiff and the other

1 Class Members, with all required meal periods in accordance with the mandates of the Labor Code and
2 the Applicable Wage Order, for the reasons set forth herein above. Despite Defendants' violations,
3 Defendants have not paid an additional hour of pay to Plaintiff and the other Class Members at their
4 respective regular rates of pay for each violation, in accordance with California Labor Code section
5 226.7.

6 89. As a result, Defendants are responsible for paying premium compensation for meal
7 period violations, including interest thereon, statutory penalties, and costs of suit pursuant to the
8 Applicable Wage Order and Labor Code sections 226.7 and 512, and Civil Code sections 3287,
9 subdivision (b), and 3289. (See Cal. Code of Regs., tit. 8, § 11140.)

10 **Fifth Cause of Action**

11 *Failure to Maintain Accurate Employment Records*

12 *(Against All Defendants)*

13 90. Plaintiff realleges and incorporates by reference all previous paragraphs.

14 91. Pursuant to California Labor Code section 1174, subdivision (d), an employer shall keep
15 at a central location in the state or at the plants or establishments at which employees are employed,
16 payroll records showing the hours worked daily by and wages paid to employees employed at the
17 respective plants or establishments. These records must be kept in accordance with rules established
18 for this purpose by the commission, but in any case shall be kept on file for not less than two years.

19 92. Labor Code section 1174.5 imposes a civil penalty of \$500 for an employer's failure to
20 maintain accurate and complete records.

21 93. Defendant has intentionally and willfully failed to keep accurate and complete records
22 showing the hours worked daily and wages paid to Plaintiff and the other Class Members. Thus,
23 Plaintiff and the other Class Members have been denied their legal right and protected interest in having
24 available at a central location at the plant or establishment where they are employed, accurate and
25 complete payroll records showing the hours worked daily by, and the wages paid to, employees at those
26 respective locations pursuant to Labor Code 1174.

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1 compensation owed to them in a civil action and any applicable penalties, attorney fees, and interest
2 owed to them pursuant to Labor Code sections 210 and 218.5.

3 **Seventh Cause of Action**

4 *Failure to Pay All Wages Earned and Unpaid at Separation*

5 *(Against All Defendants)*

6 100. Plaintiff realleges and incorporates by reference all previous paragraphs.

7 101. The actionable period for this cause of action is three years prior to the filing of this
8 complaint through the present, and ongoing until the violations are corrected or the class is certified.
9 (*Pineda v. Bank of America, N.A.* (2010) 50 Cal.4th 1389, 1395; *Murphy v. Kenneth Cole Productions,*
10 *Inc.* (2007) 40 Cal.4th 1094, 1109; Code Civ. Proc., § 338, subd. (a).) Labor Code sections 201 and
11 202 of the California Labor Code require Defendants to pay all compensation due and owing to its
12 former employees (including the formerly-employed Class Members) during the actionable period for
13 this cause of action at or around the time that their employment is or was terminated, or ended.

14 102. Section 203 of the Labor Code provides that if an employer willfully fails to pay
15 compensation promptly upon discharge or resignation, as required by Sections 201 and 202, then the
16 employer is liable for penalties in the form of continued compensation up to thirty workdays.

17 103. Due to Defendants' faulty pay policies, those Class Members whose employment with
18 Defendants has concluded were not compensated for each and every hour worked at the appropriate
19 rate. Defendants have willfully failed to pay those formerly-employed Class Members whose sums
20 were certain at the time of termination within seventy-two hours of their resignation and have failed to
21 pay those sums for thirty days thereafter as required by Labor Code sections 201 through 203.

22 104. As a result, Defendants are liable to the formerly-employed Class Members for waiting
23 time penalties amounting to thirty days wages for the formerly-employed Class Members pursuant to
24 Labor Code section 203. (See, e.g., DLSE Manual, § 4.3.4 [failure to pay any sort of wages due upon
25 termination entitles an employee to recover waiting time penalties].)

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1 **Eighth Cause of Action**

2 *Failure to Indemnify All Necessary Business Expenditures*

3 *(Against All Defendants)*

4 105. Plaintiff realleges and incorporates by reference all previous paragraphs.

5 106. California Labor Code Section 2802 states that employers must “indemnify” an
6 employee for “all necessary expenditures or losses incurred by the employee in direct consequence of
7 the discharge of his or her duties, or of his or her obedience to the directions of the employer.” Likewise,
8 Labor Code section 2804 states that “any contract or agreement, express or implied, made by any
9 employee to waive the benefits of this article or any part thereof, is null and void, and this article shall
10 not deprive any employee or his personal representative of any right or remedy to which he is entitled
11 under the laws of this State.”

12 107. Here, Plaintiff and the other Class Members paid out of pocket for necessary business
13 expenditures incurred as a direct consequence and requirement of performing their job duties, including
14 the costs associated with their personal cell phone they required to perform their work. Despite knowing
15 that Plaintiff and the other Class Members incurred these necessary business expenses, and requiring
16 Plaintiff and the other Class Members to use such items, Defendants did not reimburse them.

17 108. Thus, Plaintiff and the other Class Members are entitled to recover the cost of such
18 necessary business expenses, plus interest from the date each incurred such business expenses, plus
19 fees and costs. (Lab. Code, § 2802, subds. (b), (c).)

20 **Ninth Cause of Action**

21 *Failure to Furnish Accurate Itemized Wage Statements*

22 *(Against All Defendants)*

23 109. Plaintiff realleges and incorporates by reference all previous paragraphs.

24 110. Labor Code section 226, subdivision (a), obligates employers, semi-monthly or at the
25 time of each payment to furnish an itemized wage statement in writing showing:

- 26 (1) The gross wages earned;
27 (2) The total hours worked by the employee;

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- 1 (3) The number of piece-rate units earned and any applicable piece rate if
2 the employee is paid on a piece rate basis;
- 3 (4) All deductions, provided that all deductions made on written orders of
4 the employee may be aggregated and shown as one item;
- 5 (5) The net wages earned;
- 6 (6) The inclusive dates of the period for which the employee is paid;
- 7 (7) The name of the employee and only the last four digits of his or her social
8 security number or an employee identification number other than a social
9 security number;
- 10 (8) The name and address of the legal entity that is the employer; and
- 11 (9) All applicable hourly rates in effect during the pay period and the
12 corresponding number of hours worked at each hourly rate by the
13 employee.

14 111. As set forth above, Defendants issued and continues to issue wage statements to its non-
15 exempt employees including Plaintiff and the other Class Members that are inadequate under Labor
16 Code section 226, subdivision (a). By failing to pay Plaintiff and the other Class Members properly as
17 described above, Defendants failed to include required information on their wage statements, including,
18 but not limited to, the gross wages earned, the net wages earned in violation of Labor Code section
19 226, subdivision (a).

20 112. Defendants' failure to comply with Labor Code section 226, subdivision (a), of the
21 Labor Code was knowing and intentional. (Lab. Code, § 226, subd. (e)).

22 113. As a result of Defendants' issuance of inaccurate itemized wage statements to Plaintiff
23 and the other Class Members in violation of Labor Code section 226, subdivision (a), Plaintiff and the
24 other Class Members are each entitled to recover an initial penalty of \$50, and subsequent penalties of
25 \$100, up to an amount not exceeding an aggregate penalty of \$4,000 per Plaintiff and per each Class
26 Member from Defendants pursuant to Labor Code section 226, subdivision (e), along with costs and
27 reasonable attorneys' fees.

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1 **Tenth Cause of Action**

2 *Violations of California's Unfair Competition Law*

3 *(Against All Defendants)*

4 114. Plaintiff realleges and incorporates by reference all previous paragraphs.

5 115. Defendants have engaged and continue to engage in unfair and/or unlawful business
6 practices in California in violation of California Business and Professions Code section 17200 through
7 17210, by committing the unlawful acts described above. Defendants' utilization of these unfair and
8 unlawful business practices deprived and continue to deprive Plaintiff and the other Class Members of
9 compensation to which they are legally entitled. These practices constitute unfair and unlawful
10 competition and provide an unfair advantage over Defendants' competitors who have been and/or are
11 currently employing workers and attempting to do so in honest compliance with applicable wage and
12 hour laws.

13 116. Because Plaintiff is a victim of Defendants' unfair and unlawful conduct alleged herein,
14 Plaintiff for herself and on behalf of the Class Members, seeks full restitution of monies, as necessary
15 and according to proof, to restore any and all monies withheld, acquired and/or converted by
16 Defendants pursuant to Business and Professions Code sections 17203 and 17208.

17 117. The acts complained of herein occurred within the four years prior to the initiation of
18 this action and are continuing into the present and ongoing.

19 118. Plaintiff was compelled to retain the services of counsel to file this Court action to
20 protect her interests and those of the Class Members, to obtain restitution and injunctive relief on behalf
21 of Defendants' current non-exempt employees and to enforce important rights affecting the public
22 interest. Plaintiff has thereby incurred the financial burden of attorneys' fees and costs, which Plaintiff
23 is entitled to recover under Code of Civil Procedure section 1021.5.

24 **VII. DEMAND FOR JURY TRIAL**

25 119. Plaintiff hereby demands trial by jury of Plaintiff's and the Class Members' claims
26 against Defendants.

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1 **VIII. PRAYER FOR RELIEF**

2 Plaintiff prays for judgment for herself and for all others on whose behalf this suit is brought
3 against Defendants, as follows:

- 4 1. For an order certifying the proposed class;
- 5 2. For an order appointing Plaintiff as representative of the class;
- 6 3. For an order appointing Plaintiff's counsel as counsel for the class;
- 7 4. For the failure to pay all minimum wages, compensatory, consequential, general, and
8 special damages according to proof pursuant to Labor Code sections 1194, 1194.2,
9 1197, and others as may be applicable;
- 10 5. For the failure to pay all overtime wages, compensatory, consequential, general, and
11 special damages according to proof pursuant to Labor Code sections 204, 510, 1194,
12 1198, and others as may be applicable;
- 13 6. For the failure to provide rest periods and pay missed rest period premiums,
14 compensatory, consequential, general, and special damages according to proof pursuant
15 to Labor Code section 226.7;
- 16 7. For the failure to provide meal periods and pay missed meal period premiums,
17 compensatory, consequential, general, and special damages according to proof pursuant
18 to Labor Code sections 226.7 and 512;
- 19 8. For the failure to maintain accurate employment records, penalties pursuant to Labor
20 Code sections 226.3, 1174.5, and others that may be applicable;
- 21 9. For the failure to pay wages timely during employment, the unpaid balance of the
22 compensation owed to Plaintiff and the other Class Members and any applicable
23 penalties owed to them pursuant to Labor Code section 210;
- 24 10. For the failure to pay all wages earned and unpaid at separation, statutory waiting time
25 penalties pursuant to Labor Code sections 201 through 203, for the Class Members who
26 quit or were fired in an amount equal to their daily wage multiplied by thirty days, as
27 may be proven;

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- 1 **11.** For the failure to indemnify all necessary business expenditures, all unreimbursed
2 business expenses, and interest thereon, that are owed, pursuant to Labor Code section
3 2802, and attorney fees, pursuant to Labor Code section 2802, subdivision (c);
- 4 **12.** For the violations of California’s Unfair Competition Law, restitution to Plaintiff and
5 the other Class Members of all money and/or property unlawfully acquired by
6 Defendants by means of any acts or practices declared by this Court to be in violation
7 of Business and Professions Code sections 17200 through 17210;
- 8 **13.** Prejudgment interest on all due and unpaid wages pursuant to Labor Code section 218.6
9 and Civil Code sections 3287 and 3289;
- 10 **14.** On all causes of action for which attorneys’ fees may be available, for attorneys’ fees
11 and costs as provided by Labor Code sections 218.5, 226, Code of Civil Procedure
12 section 1021.5, and others as may be applicable;
- 13 **15.** For an order enjoining Defendants, and each of them, and their agents, servants, and
14 employees, and all persons acting under, in concert with, or for them, from acting in
15 derogation of any rights or duties adumbrated in this complaint; and
- 16 **16.** For such other and further relief, this Court may deem just and proper.

17 Dated: November 29, 2023

MELMED LAW GROUP P.C.



JONATHAN MELMED

Attorneys for Plaintiff and the Putative Class



Jennifer Gonzalez <jennifer@melmedlaw.com>

Thank you for your Amended PAGA Claim Notice Submission.

DIR PAGA Unit <no-reply@formassembly.com>

Thu, Mar 20, 2025 at 3:00 PM

To: jennifer@melmedlaw.com

03/20/2025 02:59:42 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Amended PAGA Claim

Please note that a PAGA Notice is not a complaint within the meaning of Division 5 (Labor Code §§6300 et seq.). To file a complaint about workplace safety and health hazards with Cal/OSHA, please visit: <https://www.dir.ca.gov/dosh/complaint.htm>

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

DIR PAGA Unit on behalf of Labor and Workforce Development Agency

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

EXHIBIT D

Exhibit D – List of Class and PAGA Approvals

- *Blan v. Button Transportation, Inc.* (Super. Ct. Solano County, No. FCS045949) [final approval granted on December 8, 2016; Hon. Michael Mattice];
- *Cleary v. Penske Truck Leasing Co., L.P.* (Super. Ct. San Bernardino County, No. CIVDS1600144) [final approval granted on February 8, 2017; Hon. Janet M. Frangie];
- *Plimpton v. Gordon Trucking, Inc.* (Super. Ct. San Bernardino County, No. CIVDS1511918) [final approval granted on February 16, 2017; Hon. Donald Alvarez];
- *Broner v. Michael Dusi Trucking, Inc.* (Super. Ct. San Luis Obispo County, No. 16CVP-0044) [final approval granted on March 15, 2017; Hon. Donald G. Umhofer];
- *Riley v. Pacific Tank Lines, Inc.* (Super. Ct. San Bernardino County, No. CIVDS1603263) [final approval granted on March 28, 2017; Hon. John M. Pacheco];
- *Davis v. Western Merchandise Express, Inc.* (Super. Ct. Kern County, No. BCV-16-101216) [final approval granted on April 26, 2017; Hon. Sidney P. Chapin];
- *Long v. Covenant Transport, Inc.* (E.D.Tenn., No. 1:15-cv-278) [final approval granted on April 28, 2017; Hon. Travis R. McDonough];
- *Pena v. Inner Valley Transport, Inc.* (Super. Ct. Kern County, No. BCV-100625-LHB) [final approval granted on May 5, 2017; Hon. Thomas S. Clark];
- *Upton v. Coremark International, Inc.* (Super. Ct. San Francisco County, No. CGC 15-549348) [final approval granted on May 10, 2017; Hon. Curtis E.A. Karnow];
- *Ramirez v. Castlewood West, LLC* (Super. Ct. Monterey County, No. 16CV01137) [final approval granted on May 18, 2017; Hon. Lydia Villarreal];
- *William Haynes v. Reliable Trucking, Inc.* (Super. Ct. Contra Costa County, No. C16-01237) [final approval granted on May 26, 2017; Hon. Barry P. Goode];
- *Davis v. Transforce, Inc.* (Super. Ct. Kern County, No. BCV-16-101393) [final approval granted on June 5, 2017; Hon. Thomas S. Clark];
- *Harris v. Jerry DeBriae Logging Co., Inc.* (Super. Ct. Cowlitz County, No. 16-2-00402-5) [final approval granted on June 7, 2017; Hon. Stephen M. Warning];

- 1 • *Powers v. Estenson Logistics, LLC* (Super. Ct. San Bernardino County, No.
2 CIVDS1602295) [final approval granted on July 12, 2017; Hon. David Cohn];
- 3 • *Hugues v. The Morning Star Trucking Company, LLC* (Super. Ct. Yolo County, No.
4 CV16-1215) [final approval granted on August 3, 2017; Hon. W. Arvid Johnson];
- 5 • *Waddell v. Dalton Trucking, Inc.* (Super. Ct. San Bernardino County, No.
6 CIVDS1603262) [final approval granted on August 7, 2017; Hon. John M. Pacheco];
- 7 • *Campos v. Black Eagle Trucking, Inc.* (Super. Ct. San Diego County, No. 37-2016-
8 00023781-CU-OE-CTL) [final approval granted on August 25, 2017; Hon. Timothy
9 Taylor];
- 10 • *Asplund v. White Timber Industries, Inc.* (Super. Ct. Cowlitz County, Wash., No. 16-2-
11 00870-5) [final approval granted on September 13, 2017; Hon. Michael Evans];
- 12 • *Elson v. Covey Auto Express, Inc.* (Super. Ct. San Joaquin County, No. STK-CV-UOE-
13 2016-0009114) [final approval granted on September 18, 2017; Hon. Linda L. Lofthus];
- 14 • *Torres v. Salinas Farm Labor Contractor, Inc.* (Super. Ct. Stanislaus County, No.
15 2018173) [final approval granted on December 19, 2017; Hon. Roger M. Beauchesne];
- 16 • *Young v. First Class Service Trucking, Inc.* (Super. Ct. San Joaquin County, No. STK-
17 CV-UOE-2016-10381) [final approval granted January 2, 2018; Hon. Elizabeth
18 Humphreys];
- 19 • *Isabella v. Equinox Holdings, Inc.* (Super. Ct. L.A. County, No. BC578960) [final
20 approval granted on January 4, 2018; Hon. Ann I. Jones];
- 21 • *Grumm v. T.J.S. Leasing & Holding, Co., Inc.* (Super. Ct. Humboldt County, No.
22 DR160492) [final approval granted on February 6, 2018; Hon. Kelly L. Neel];
- 23 • *Robins v. Versa Logistics, LLC* (Super. Ct. L.A. County, No. BC644321) [final approval
24 granted on March 26, 2018; Hon. Carolyn B. Kuhl];
- 25 • *Chavez v. Shamrock Foods Company* (C.D.Cal., No. 5:17-cv-00731-SVW-AFM) [final
26 approval granted on April 11, 2018; Hon. Stephen V. Wilson];
- 27 • *Diaz v. Absolute West, LLC* (Super. Ct. L.A. County, No. BC647126) [final approval
28 granted on April 19, 2018; Hon. Maren E. Nelson];

- *Herman v. Andrus Transportation Services, Inc.* (C.D.Cal., No. 5:16-CV-02365-AG-DTB) [final approval granted on May 14, 2018; Hon. Andrew J. Guilford];
- *Hernandez v. J.V.C. Truck Lines, Inc.* (Super. Ct. San Bernardino County, No. CIVDS1714857) [final approval granted on May 22, 2018; Hon. Brian S. McCarville];
- *Happell v. Hercules Forwarding, Inc.* (Super. Ct. L.A. County, No. BC639636) [final approval granted on June 14, 2018; Hon. Carolyn B. Kuhl];
- *Medina v. Timmerman Starlite Trucking, Inc.* (Super. Ct. Stanislaus County, No. 2023292) [final approval granted on June 15, 2018; Hon. Roger M. Beauchesne];
- *Brown v. Saks & Company, LLC* (C.D.Cal., No. 2:17-cv-04210-SJO) [final approval granted on July 16, 2018; Hon. S. James Otero];
- *Flores v. Aqua Terra Culinary, Inc.* (Super. Ct. Monterey County, No. 17CV002672) [final approval granted on July 18, 2018; Hon. Lydia Villarreal];
- *Myers v. LBC Limited Partnership* (Super. Ct. San Bernardino County, No. CIVDS1715068) [final approval granted on July 25, 2018; Hon. Janet M. Frangie];
- *Westphal v. New York Life Insurance Company* (Super. Ct. Placer County, No. SCV0040562) [final approval granted on August 30, 2018; Hon. Michael W. Jones];
- *Hollis v. Union Pacific Railroad Company* (C.D.Cal., No. 5:17-cv-02449-JGB) [final approval granted on September 17, 2018; Hon. Jesus G. Bernal];
- *Cheifer v. WHGM, Inc.* (Super. Ct. L.A. County, No. LC104900) [final approval granted on September 21, 2018; Hon. Rupert A. Byrdsong];
- *Hernandez-Chulo v. E&R Trucking, Inc.* (Super. Ct. Merced County, No. 18CV-00882) [final approval granted on October 29, 2018; Hon. Brian McCabe];
- *Freeman v. Redwood Wise Riders, Inc.* (Super. Ct. Solano County, No. FCS050140) [approval granted on December 4, 2018; Hon. Wendy G. Getty];
- *Ricci v. HSS, Inc.* (Super. Ct. Yuba County, No. CVCV17-00967) [final approval granted on December 4, 2018; Hon. Stephen W. Berrier];
- *Antonov v. GL HHR, Inc.* (Super. Ct. San Bernardino County, No. CIVDS1724725) [final approval granted on December 11, 2018; Hon. David Cohn];

- 1 • *Pena v. Keystone Freight Corp.* (Super. Ct. Tulare County, No. VCU269897) [final
2 approval granted on January 14, 2019; Hon. Melinda M. Reed];
- 3 • *Westbrook v. Winco Holdings, Inc.* (Super. Ct. Riverside County, No. RIC171068)
4 [final approval granted on January 17, 2019; Hon. Raquel A. Marquez];
- 5 • *Jackie Thompson v. Cheema Freightlines, LLC* (Super. Ct. San Joaquin County, No.
6 STK-CV-UOE-2017-01011658) [final approval granted on February 6, 2019; Hon.
7 Roger Ross];
- 8 • *Pazo v. Incredible Adventures* (Super. Ct. San Francisco County, No. CGC-16-555971)
9 [final approval granted on February 25, 2019; Hon. Anne-Christine Massullo];
- 10 • *Reboucas v. Trans International Trucking, Inc.* (Super. Ct. L.A. County, No.
11 BC644182) [final approval granted on May 9, 2019; Hon. Maren E. Nelson];
- 12 • *Myers v. Jerome's Furniture Warehouse* (Super. Ct. San Bernardino County, No.
13 CIVDS1710569) [final approval granted on June 11, 2019; Hon. Janet M. Frangie];
- 14 • *Juarez v. Magic Laundry Services, Inc.* (Super. Ct. L.A. County, No. BC713767)
15 [approval granted on June 14, 2019; Hon. William F. Highberger];
- 16 • *Rangel v. Guard-Systems, Inc.* (Super. Ct. L.A. County, No. 19STCV19613) [approval
17 granted on June 18, 2019; Hon. Yolanda Orozco];
- 18 • *Castaing v. East Bay Automotive Company* (Super. Ct. Alameda County, No.
19 RG17879115) [final approval granted on June 24, 2019; Hon. Brad Seligman];
- 20 • *Juarez v. Mike Lowrie Trucking, Inc.* (Super. Ct. Kern County, No. BCV-18-
21 100177TSC) [final approval granted on August 8, 2019; Hon. Thomas S. Clark];
- 22 • *Pia v. 5G's Automotive, Inc.* (Super. Ct. Tulare County, No. VCU274628) [final
23 approval granted on September 6, 2019; Hon. Brett D. Hillman];
- 24 • *Thomas v. Commercial Protective Services, Inc.* (Super. Ct. San Bernardino County,
25 No. CIVDS1821925) [final approval granted on September 16, 2019; Hon. David
26 Cohn];
- 27 • *Berbano v. Ingram Micro, Inc.* (Super. Ct. San Bernardino County, No.
28 CIVDS1826085) [final approval granted on September 17, 2019; Hon. David Cohn];

- *Guerra v. U.S. Polymers, Inc.* (Super. Ct. San Bernardino County, No. CIVDS1829174) [approval granted on September 20, 2019; Hon. David Cohn];
- *Lopez-Urrutia v. Southwest V-Ditch Inc.* (Super. Ct. San Bernardino County, No. CIVDS1833332) [final approval granted on October 16, 2019; Hon. David Cohn];
- *Guy v. California Lutheran University* (Super. Ct. Ventura County, No. 56-219-00524415-CU-OE-VTA) [final approval granted on November 6, 2019; Hon. Mark C. Borrell];
- *Moseby v. Renzenberger, Inc.* (Super. Ct. San Bernardino County, No. CIVDS1725125) [final approval granted on November 7, 2019; Hon. Janet M. Frangie];
- *Woodard v. AH 2005 Management, L.P.* (Super. Ct. Monterey County, No. 18CV001986) [approval granted on November 21, 2019; Hon. Lydia M. Villarreal];
- *Ramirez v. William J. Wickwire M.D.* (Super. Ct. San Bernardino County, No. CIVDS1913102) [final approval granted on November 25, 2019; Hon. David Cohn];
- *Lyons v. SAIA Motor Freight Line, LLC* (Super. Ct. San Bernardino County, No. CIVDS1828225) [final approval granted on December 9, 2019; Hon. David Cohn];
- *Baker v. Vallejo CJD, LLC* (Super. Ct. Tulare County, No. VCU273830) [final approval granted on December 16, 2019; Hon. David C. Mathias];
- *Tsao v. Giorgio Armani Corporation* (Super. Ct. Orange County, No. 30-218-01000817-CU-OE-CXC) [final approval granted on December 20, 2019; Hon. Peter J. Wilson];
- *Burnham v. DGDGI* (Super. Ct. Santa Clara County, No. 2018-1-CV-331434) [final approval granted on January 17, 2020; Hon. Thomas E. Kuhnle];
- *Martinez v. E&A Protective Services-Bravo, LLC* (E.D. Cal., No. 1:18-cv-00658-BAM) [final approval granted on January 17, 2020; Hon. Barbara A. McAuliffe];
- *Cardoso v. Rogers & Rogers, Inc.* (Super. Ct. Imperial County, No. ECU000637) [final approval granted on January 27, 2020; Hon. Brooks Anderholt];
- *Mora v. The Complete Logistics Company* (Super. Ct. San Bernardino County, No. CIVDS1833922) [final approval granted on February 10, 2020; Hon. David Cohn];

- *Lopez v. Ruiz Food Products, Inc.* (Super. Ct. Tulare County, No. VCU 275105) [final approval granted on March 10, 2020; Hon. Bret D. Hillman];
- *Jaurigue v. Knights of Columbus* (Super. Ct. San Bernardino County, No. CIVDS1824508) [final approval granted on July 10, 2020; Hon. David Cohn];
- *Lopez v. Unitek College NCP, LLC* (Super. Ct. Kern County, No. BCV-19-102146) [final approval granted on July 15, 2020; Hon. Stephen D. Schuett];
- *Ashe v. Farmers Insurance Group* (Super. Ct. L.A. County, No. 18STCV00453) [final approval granted on July 20, 2020; Hon. Steven J. Kleinfeld];
- *Martin v. Break the Floor Productions LLC* (Super. Ct. San Diego County, No. 37-2019-00029711-CU-OE-CTL) [final approval granted on October 23, 2020; Hon. Kenneth J. Medel];
- *Robles v. Winsford II Corporation* (Super. Ct. San Bernardino County, No. CIVDS1902903) [final approval granted on November 3, 2020; Hon. David Cohn];
- *Lopez v. RTS Holdings, LLC* (Super. Ct. San Bernardino County, No. CIVDS1934904) [final approval granted on November 24, 2020; Hon. David Cohn];
- *Romero v. Carl Zeiss Meditec Production* (Super. Ct. San Bernardino County, No. CIVDS1907556) [final approval on December 3, 2020; Hon. David Cohn];
- *Soto v. Britz Farming Corp* (Super. Ct. Merced County, No. 19CV04182) [final approval granted on December 8, 2020; Hon. Brian L. McCabe];
- *Martinez v. Global Sales & Warehousing, LLC* (Super. Ct. Ventura County, No. 56-2019-00534178-CU-OE-VTA) [final approval granted on December 18, 2020; Hon. Matthew P. Guasco];
- *Gaxiola v. Lloyds Manufacturing Services, Inc.* (Super. Ct. San Bernardino County, No. CIVDS1939269) [final approval granted on February 2, 2021; Hon. David Cohn];
- *Ancona v. Populus Financial Group, Inc.* (Super. Ct. L.A. County, No. 19STCV41065) [approval granted on February 18, 2021; Hon. Maurice A. Leiter];
- *Elayda v. Physassist Scribes, Inc.* (Super. Ct. San Bernardino County, No. CIVDS2002023) [final approval granted on March 1, 2021; Hon. David Cohn];

- *Lee v. Home Delivery Logistics, Inc.* (Super. Ct. Alameda County, No. RG18927149) [final approval granted on March 2, 2021; Hon. Winifred Y. Smith];
- *Pagh v. Wyndham Vacation Ownership, Inc.* (C.D.Cal., No. 8:19-cv-00812-JWH-ADSx) [final approval granted on March 23, 2021; Hon. John W. Holcomb];
- *Robinson v. Paragon Systems, Inc.* (Super. Ct. Sacramento County, No. BC720142) [final approval granted on April 1, 2021; Hon. Elihu Berle];
- *Lachman v. Berlitz Languages, Inc.* (Super. Ct. L.A. County, No. 19STCV01533) [final approval granted on April 1, 2021; Hon. Carolyn Kohl];
- *Murray v. Scelzi Enterprises, Inc.* (Super. Ct. Riverside County, No. RIC2002545) [final approval granted on April 13, 2021; Hon. Sunshine Sykes];
- *Ruiz v. SAIA Motor Freight Line, LLC* (Super. Ct. San Bernardino County, No. CIVDS2014796) [final approval granted on May 19, 2021; Hon. David Cohn];
- *Gallegos v. TST, Inc.* (Super. Ct. San Bernardino County, No. CIVDS1933834) [final approval granted on May 20, 2021; Hon. David Cohn];
- *Cornejo v. Weidner Property Management LLC* (Super. Ct. San Bernardino County, No. CIVDS2016465) [final approval granted on May 25, 2021; Hon. David Cohn];
- *Garcia v. Construction Innovations Group, LLC* (Super. Ct. Sacramento County, No. 34-2020-00285239) [final granted on May 25, 2021; Hon. Shama H. Mesiwala];
- *Aguirre v. Swinerton Builders* (Super. Ct. San Bernardino County, No. CIVDS 1925363) [final approval granted on May 26, 2021; Hon. David Cohn];
- *Pease v. Wattrans, Inc.* (Super. Ct. San Bernardino County, No. CIVDS1919832) [final approval granted on June 3, 2021; Hon. Thomas Garza];
- *Moreira v. University of Redlands* (Super. Ct. San Bernardino County, No. CIVDS1913813) [final approval granted on June 8, 2021; Hon. David Cohn];
- *Garcia v. Cardenas Markets, LLC* (Super. Ct. San Bernardino County, No. CIVDS1917380) [final granted on July 1, 2021; Hon. David Cohn];
- *Robinzine v. Mohawk ESV, Inc.* (Super. Ct. San Bernardino County, No. CIVDS1930033) [final approval granted on July 7, 2021; Hon. David Cohn];

- 1 • *Cuevas v. Action Embroidery Corp.* (Super. Ct. San Bernardino County, No.
2 CIVDS2012230) [final approval granted on July 29, 2021; Hon. David Cohn];
- 3 • *Urquizo v. Santos Montemayor FLC, Inc.* (Super. Ct. Kern County, No. BCV-20-
4 101587) [final granted on July 30, 2021; Hon. Thomas S. Clark];
- 5 • *San Juan v. San Marcos Growers* (Super. Ct. Ventura County, No. 56-2020-00542257-
6 CU-OE-VTA) [final approval granted on August 13, 2021; Hon. Matthew P. Guasco];
- 7 • *Cartagena v. Impact Healthcare* (Super. Ct. Tulare County, No. VCU283955) [approval
8 granted on August 30, 2021; Hon. David C. Mathias];
- 9 • *Reveles v. Certis U.S.A. L.L.C.* (Super. Ct. Kern County, No. BCV-20-102315) [final
10 approval granted on October 4, 2021; Hon. Bernard C. Barmann Jr.];
- 11 • *Rico v. Western Mesquite Mines, Inc.* (Super. Ct. Imperial County, No. ECU000873)
12 [final approval granted on October 14, 2021; Hon. Jeffrey B. Jones];
- 13 • *Correa v. Newell Brands, Inc.* (Super. Ct. San Bernardino County, No. CIVDS1901381)
14 [final approval granted on October 29, 2021; Hon. David Cohn];
- 15 • *Gonzalez v. Frank Carson Landscape & Maintenance, Inc.* (Super. Ct. Sacramento
16 County, No. 34-2020-00289370) [final approval granted on November 4, 2021; Hon.
17 Christopher E. Krueger];
- 18 • *Nelson v. Hardwoods Specialty Products US LP* (Super. Ct. Alameda County, No.
19 RG19046262) [final approval granted on November 18, 2021; Hon. Evelio Grillo];
- 20 • *Lopez v. KLX Inc.* (Super. Ct. Tulare County, No. VCU275330) [final approval granted
21 on November 30, 2021; Hon. Bret Hillman];
- 22 • *Golightly v. AMDA, Inc.* (Super. Ct. L.A. County, No. 20STCV13173) [final approval
23 granted on December 1, 2021; Hon. Amy D. Hogue];
- 24 • *Bollinger-Felt v. Pacific Bells, LLC* (Super. Ct. Stanislaus County, No. CV-20-000680)
25 [final approval granted on January 27, 2022; Hon. Stacy P. Speiller];
- 26 • *Mahdian v. AG Laguna Hills, LLC* (Super. Ct. Orange County, No. 30-2019-01098085-
27 CU-OE-CJC) [approval granted on February 4, 2022; Hon. Randall J. Sherman];
- 28

- *Martinez v. East Coast/West Coast Logistics, LLC* (Super. Ct. San Bernardino County, No. CIVDS1932745) [final approval granted on March 2, 2022; Hon. David Cohn];
- *Aguilera v. Salmex Pizza, Inc.* (Super. Ct. San Bernardino County, No. CIVDS2014336) [approval granted on March 10, 2022; Hon. David Cohn];
- *Sotelo v. Cosmetix West* (Super. Ct. L.A. County, No. 19STCV28580) [final approval granted on March 23, 2022; Hon. Kenneth R. Freeman];
- *Dulay v. Center for Social Dynamics* (Super. Ct. Alameda County, No. RG20055934) [final approval granted on April 7, 2022; Hon. Frank Roesch];
- *Pena v. Canyon Plastics, Inc.* (Super. Ct. L.A. County, No. 20STCV34161) [final approval granted on April 13, 2022; Hon. Amy D. Hogue];
- *Guerrero v. Advanced Vision Science, Inc.* (Super. Ct. Santa Barbara County, No. 18CV05341) [final approval granted on May 9, 2022; Hon. Donna Geck];
- *Velasco v. Jasmine Vineyards, Inc.* (Super. Ct. Kern County, No. BCV-19-101405) [final approval granted on May 18, 2022; Hon. Bernard C. Barmann, Jr.];
- *Sampson v. Diversified Conveyors International, LLC* (Super. Ct. San Bernardino County, No. CIVDS2018610) [final approval granted on June 3, 2022; Hon. Rafael A. Arreola];
- *Martinez v. Victorian Care Homes of the Monterey Peninsula, Inc.* (Super. Ct. Monterey County, No. 20CV002456) [final approval granted on June 29, 2022; Hon. Thomas W. Wills];
- *Lujano v. General Production Service of California, Inc.* (Super. Ct. Kern County, No. BCV-20-102705) [final approval granted on July 6, 2022; Hon. Bernard C. Barmann Jr.];
- *Matus v. Flory Industries* (Super. Ct. Stanislaus County, No. CV-20-003117) [final approval granted on August 11, 2022; Hon. John D. Freeland];
- *Ramos v. Cambridge College* (Super. Ct. San Bernardino County, No. CIVSB2112109) [final approval granted on August 15, 2022; Hon. David Cohn];

- *Garcia v. The Golden 1 Credit Union* (Super. Ct. Sacramento County, No. 34-2021-00293831) [final approval granted on August 26, 2022; Hon. Lauri A. Damrell];
- *Casillas v. California Paper Products LLC* (Super. Ct. Kern County, No. BCV-20-102523) [approval granted on September 8, 2022; Hon. David Lampe];
- *Arzola v. All Star Glass Inc.* (Super. Ct. Ventura County, No. 56-2021-00553193-CU-OE-VTA) [final approval granted on September 9, 2022; Hon. Matthew P. Guasco];
- *Beltran v. Hutchinson Aerospace & Industry, Inc.* (Super. Ct. Los Angeles County, No. 20STCV02267) [approval granted on September 9, 2022; Hon. John J. Kralik];
- *Avina v. Ravco Construction, Inc.* (Super. Ct. Orange County, No. 30-2020-01146748-CU-OE-CXC) [final approval granted on September 16, 2022; Hon. Randall J. Sherman];
- *Garcia v. Pure Heart Congregate Living Facility, Inc.* (Super. Ct. Los Angeles County, No. 21STCV05070) [approval granted on September 21, 2022; Hon. Carolyn B. Kuhl];
- *Andrisani v. Dracko Merchandising Inc.* (Super. Ct. Los Angeles County, No. 20STCV42108) [final approval granted on October 5, 2022; Hon. Carolyn B. Kuhl];
- *Torres v. McKesson Medical-Surgical, Inc.* (Super. Ct. San Bernardino, No. CIVDS1917976) [final approval granted on November 2, 2022; Hon. David Cohn];
- *Gonzalez v. Lief Organics, LLC*, (Super. Ct. L.A. County, No. 20STCV19371) [final granted on December 9, 2022; Hon. David S. Cunningham III];
- *Hernandez v. Avon Protection Systems, Inc.* (Super. Ct. Orange County, No. 30-2021-01183162-CU-OE-CXC) [final approval granted on January 13, 2023; Hon. Randall J. Sherman];
- *Escalante v. Hudson Technologies Company* (Super. Ct. San Diego County, No. 37-2019-00070131-CU-OE-CTL) [final approval granted on January 20, 2023; Hon. Gregory Pollack];
- *Garcia v. Pacific Diagnostics Laboratories, LLC* (Super. Ct. Santa Barbara County, No. 19CV00992) [preliminary approval granted on January 20, 2023; final approval set to be heard on May 3, 2023; Hon. Thomas P. Anderle];

- *Lopez v. Praesidium Diagnostics LLC* (Super. Ct. Los Angeles County, No. 21STCv08378) [final approval granted on February 17, 2023; Hon. Lawrence P. Riff];
- *Aguilar v. Jimenez Nursery, Inc.* (Super. Ct. Santa Barbara, No. 21CV01836) [final approval granted on March 9, 2023; Hon. Colleen K. Sterne];
- *Duarte v. Sage Veterinary Centers, LP* (Super. Ct. Santa Clara, No. 20CV375152) [; final granted on March 14, 2023; Hon. Sunil R. Kulkarni];
- *Santacruz v. Golden Labor Services, LLC* (Super. Ct. Kern County, No. BCV-20-102729) [preliminary approval granted on July 19, 2022; final approval set to be heard on May 9, 2023; Hon. J. Eric Bradshaw];
- *Medina-Rivera v. Treebeard Landscape, Inc.* (Super. Ct. San Diego County, No. 37-2021-00050044-CU-OE-CTL) [preliminary approval granted on March 17, 2023; final approval set to be heard on June 2, 2023; Hon. Joel R. Wohlfeil];
- *Bray v. Uline, Inc.,* (Super. Ct. San Bernardino County, No. CIVSB2112058) [preliminary approval granted on March 20, 2023; final approval set to be heard on August 8, 2023; Hon. David Cohn];
- *Barrera v. Spencer Aerospace Manufacturing, LLC* (Super. Ct. Los Angeles County, No. 21STCV05109) [preliminary approval granted on March 22, 2023; final approval set to be heard on June 21, 2023; Hon. Lawrence P. Riff];
- *Guzman v. Destination Anywhere, Inc.,* (Super. Ct. San Joaquin County, No. STK-CV-UOE-2021-10462) [final approval granted on April 14, 2023; Hon. Barbara Kronlund];
- *Benson, et al. v. F21 OPCO, LLC dba Forever 21,* (Super. Ct. San Diego, No. 37-2021-00024619-CU-OE-CTL) [preliminary approval granted on April 21, 2023; final approval set to be heard on October 6, 2023; Hon. Eddie C. Sturgeon];
- *Orozco v. Ventura Hospitality Partners LLC* (Super. Ct. Ventura County, No. 56-2021-00557454-CU-OE-VTA) [preliminary approval granted on April 25, 2023; final approval set to be heard on October 5, 2023; Hon. Mathew Guasco];
- *Janssen, et al. v. Mussetter Distributing, Inc.* (Super. Ct. Pacer County, No. S-CV-0049920 [final approval granted on May 4, 2023; Hon. Michael W. Jones];

- *Brohawn v. Automobile Accessories Company* (Super. Ct. Shasta County, No. CVCV21-0198019) [final approval granted on May 8, 2023; Hon. Stephen H. Baker].

EXHIBIT E



Quotation Request:

Laura Supanich
Melmed Law
lms@melmedlaw.com
310.824.3828

Case Name:

Date:
RFP Number:

Martha Sanchez Padilla v. Central Irrigation

Tuesday, April 1, 2025
201150012

Prepared By:

Michael Sutherland
Apex Class Action LLC
mike@apexclassaction.com
321.223.5067

Settlement Specifications	
Estimated Class Size:	190
Certified Language Translation:	Yes
Static Settlement Website:	No
Percentage of Undeliverable Mail:	20%

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
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Data Analytics and Standardization				
Import and Standardize Data*	Per Hour	\$125.00	2	\$250.00
Data Analyst	Per Hour	\$150.00	2	\$300.00
*Data provided must be in a workable format. Apex can standardize provided data at an additional cost of \$150/hr.				
Sub Total:				\$550.00

Mailing of Class Notice				
Form Set Up	Per Hour	\$120.00	1	\$120.00
Print & Mail Class Notice	Per Piece	\$1.00	190	\$190.00
USPS First Class Postage	Per Piece	\$0.73	190	\$138.70
Remail Undeliverable Mail (Skip-Trace)	Per Piece	\$2.00	38	\$76.00
Receive and Process Undeliverable Mail	Per Hour	\$75.00	1	\$75.00
Process Class Member Correspondence via mail, e-mail & fax	Per Piece	\$75.00	1	\$75.00
NCOA Address Update (USPS)	Static Rate	\$50.00	1	\$50.00
Certified Language Translation: Spanish	Static Rate	\$1,000.00	1	\$1,000.00
Sub Total:				\$1,724.70

Project Management				
Project Management	Per Hour	\$150.00	1	\$150.00
Project Coordinator	Per Hour	\$90.00	1	\$90.00
Data Analyst and Reporting	Per Hour	\$140.00	1	\$140.00
Sub Total:				\$380.00



APEX

CLASS ACTION ADMINISTRATION

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
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Toll-Free Contact Center, Website & Reporting				
Bilingual Toll-Free Contact Center	Static Rate	\$200.60	1	\$200.60
Settlement Status Reports	Static Rate	\$750.00	1	Waived
Sub Total:				\$200.60

Distribution & Settlement Fund Management				
Settlement Calculations (Preliminary and Final)	Per Hour	\$120.00	3	\$360.00
Account Management and Reconciliation	Per Hour	\$140.00	3	\$420.00
Print & Mail Distribution Settlement Check (W-2/1099)	Per Piece	\$1.25	190	\$237.50
USPS First Class Postage	Per Piece	\$0.73	190	\$138.70
Remail Distribution to Updated Address (Skip Trace)	Per Piece	\$1.50	19	\$28.50
Individual Income Tax Preparation & Reporting	Per Hour	\$100.00	6	\$600.00
QSF Income Tax Reporting (per calendar year)	Per Year	\$1,250.00	1	\$1,250.00
Sub Total:				\$3,034.70

Post Distribution Reconciliation				
Bank Account Reconciliation	Per Hour	\$135.00	2	\$270.00
Project Management Reconciliation	Per Hour	\$100.00	2	\$200.00
Declarations	Per Hour	\$120.00	2	\$240.00
Sub Total:				\$710.00

TOTAL CAPPED ADMINISTRATION COST:				\$5,890.00
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Thank you for your business!



Terms & Conditions

The following Terms and Conditions govern the provision of all services to be provided by Apex Class Action and its affiliates ("Apex") to the Client. These terms and conditions are binding and shall apply to all services provided by Apex in relation to any related services or products.

1. **Services:** Apex commits to providing the Client with the administrative services detailed in the attached Proposal (the "Services").

2. **Payment Terms:** As compensation for the legal services to be provided, the Client agrees to pay Apex all fees detailed in the Proposal. The fees quoted in the Proposal (and any subsequent proposals for additional services) are estimates based on the information provided to Apex by the Client. Apex makes no representation that the estimated fees in the Proposal or any subsequent proposals for additional services shall equal the actual fees charged by Apex to the Client, which fees (including individual line items) may be greater or less than estimated. If additional services are requested on an hourly basis and are not specifically detailed in the Proposal, Apex will prepare estimates for such services subject to approval by the Client. In the performance of such additional services, Apex will charge standard hourly fees which shall apply.

3. **Incurred Expenses:** In relation to the provision of services outlined in this agreement, the Client agrees to reimburse Apex for all reasonable out-of-pocket expenses incurred. Such expenses may include, but are not limited to, costs associated with postage, media production or publication, banking fees, brokerage fees, messenger and delivery service expenses, travel expenses, filing fees, office supplies, meals, staff overtime expenses, and other related costs and expenses. If not otherwise specified in writing, fees for print notice and certain expenses, such as media publication and postage, must be paid immediately upon invoicing and, in certain cases, at least ten (10) days prior to the date on which such expenses will be incurred.

4. **Invoicing:** Apex shall present invoices for its fees and expenses on a monthly basis, except as provided in Section 3. The Client agrees to pay each invoice within 30 days of receipt. In case of non-payment within 90 days of the billing date, an additional service charge of 1.5% per month may apply. Apex reserves the right to increase its prices, charges, and rates annually, subject to reasonable adjustments. If any price increases exceed 10%, Apex shall give thirty (30) days' notice to the Client. In the event of any unpaid invoices beyond 120 days of the due date, Apex reserves the right to withhold services and reports until payment is received, subject to notice to the Client. It is important to note that Apex's failure to provide services and reports in such instances shall not constitute a default under this agreement.

5. **Case Duration:** The duration of these Terms and Conditions, except for the data storage obligations stated in Section 13, shall be in effect until 30 days following the completion of the Services as described in the Proposal. The parties may extend these Terms and Conditions in writing for a mutually agreed-upon period beyond this initial 30-day period.

6. **Termination of Services:** Either party may terminate the Services by providing thirty (30) days written notice to the other party. Alternatively, termination may occur immediately upon written notice for Cause, as defined below. Cause means (i) Apex's gross negligence or willful misconduct that causes serious and material harm to the Client; (ii) the Client's failure to pay Apex invoices for more than one hundred twenty (120) days from the date of the invoice; or (iii) the accrual of invoices or unpaid services where Apex reasonably believes it will not be paid. Termination of the Services shall not relieve the Client of its obligation to pay Apex for services rendered prior to the termination.

7. **Independent Contractor:** As an independent contractor, Apex will provide services under the terms of this agreement. It is agreed that neither Apex nor any of its employees will be considered an employee of the Client. Consequently, Apex and its employees will not be eligible for any benefits provided by the Client to its employees. The Client will not make any tax deductions from the payments due to Apex for state or federal tax purposes. Apex will be solely responsible for paying all taxes and other payments due on payments received from the Client under this agreement.

8. **Apex warrants that the Services outlined in the Proposal will be performed in accordance with the standards generally adhered to by professionals providing similar services. It is acknowledged that the Services may entail the likelihood of some human and machine errors, omissions, delays, and losses that may result in damage. However, Apex shall not be held liable for such errors, omissions, delays, or losses unless they are caused by its gross negligence or willful misconduct. In the event of any breach of this warranty by Apex, the Client's sole remedy will be limited to Apex's rerunning, at its expense, any inaccurate output provided that such inaccuracies occurred solely as a result of Apex's gross negligence or willful misconduct under this agreement.**

9. **Limitation of Liability:** The Client acknowledges that Apex shall not be held liable for any consequential, special, or incidental damages incurred by the Client in relation to the performance of Services, whether the claim is based on breach of warranty, contract, tort (including negligence), strict liability, or any other grounds. Under no circumstances shall Apex's liability to the Client, for any Losses (including court costs and reasonable attorney's fees), arising out of or in connection with these Terms and Conditions, exceed the total amount charged or chargeable to the Client for the specific service(s) that caused the Losses.

10. **Indemnification:** The Client agrees to indemnify and hold harmless Apex from any losses, suits, actions, judgments, fines, costs, liabilities, or claims arising from any action or proceeding relating to the Services provided by Apex, regardless of whether or not it results in liability (collectively referred to as "Indemnified Claims"). However, this indemnification provision shall not apply to the extent that such Indemnified Claims are caused by Apex's willful misconduct, gross negligence, or breach of these Terms and Conditions. This provision shall survive termination of the Services.

11. **Confidentiality:** Apex will uphold strict confidentiality between Apex and the Client and applies to all non-public records, documents, systems, procedures, processes, software, and other information received by either party in connection with the performance of services under these terms. Both Apex and the Client agree to keep confidential all such non-public information, including any material marked or identified as confidential or proprietary. Any such confidential information shall not be disclosed, provided, disseminated, or otherwise made available to any third party, except as required to fulfill the parties' obligations under these terms. The parties acknowledge that in the event of any request to disclose any confidential information in connection with a legal or administrative proceeding, or otherwise to comply with a legal requirement, prompt notice of such request must be given to the other party to enable that party to seek an appropriate protective order or other remedy or to waive compliance with the relevant provisions of these terms. If the Client seeks a protective order or another remedy, Apex, at the Client's expense, will cooperate with and assist the Client in such efforts. If the Client fails to obtain a protective order or waives compliance with the relevant provisions of these terms, Apex will disclose only that portion of the confidential information that it determines it is required to disclose. This confidentiality provision shall survive termination of the services provided. Both parties acknowledge and agree that any breach of this term may cause irreparable harm to the non-breaching party and that injunctive relief may be necessary to prevent any actual or threatened breach. The terms set forth between the parties supersede all prior negotiations, understandings, and agreements between the parties concerning confidentiality. These terms may only be amended in writing and signed by both parties.

12. **Ownership of the programs, system data, and materials provided by Apex to the Client during the course of providing services herein shall solely belong to Apex. It is acknowledged that fees and expenses paid by the Client do not confer any rights in such property. It is also understood that the said property is made available to the Client solely for the purpose of using it during and in connection with the services provided by Apex.**

13. **Upon the completion of the administration and unless retention instructions are ordered by the court, Apex will notify the client that it will destroy and/or return all confidential information and property within 90 days upon the client's written request. Alternatively, the material may be stored for one year at a monthly fee of \$1.50 per storage box for paper documents and \$0.01 per image for electronic copies over a period of three years, which compensates Apex for its electronic and hard-copy storage costs. Apex will not be liable for any damages, liability, or expenses incurred in connection with any delay in delivery of, or damage to disks, magnetic tapes, or any input data provided by the client or its representatives unless Apex has agreed in writing to assume such responsibility.**

14. **COMPLETE AGREEMENT.** These Terms and Conditions, along with the attached Proposal, represent the complete agreement and understanding between the parties and override any prior agreements (whether written or oral) between Apex and the Client regarding the subject matter. Any modification to these Terms and Conditions may only be made in writing and must be signed by both Apex and the Client. The headings in this document are included for convenience only and do not alter or restrict any provisions in these Terms and Conditions. They may not be used in the interpretation of these Terms and Conditions.

15. **This provision outlines the requirements for providing notice or other communication under this agreement. All such communications must be in writing and can be delivered either by personal delivery or through U.S. Mail with prepaid postage or overnight courier. Once delivered personally or sent through the mail, the notice will be considered given after five (5) days from the deposit date in the U.S. Mail. Alternatively, if sent through an overnight courier, the notice will be considered given one business day after delivery to the such courier. It's important to note that the notice must be provided to a responsible officer or principal of the Client or Apex, depending on the case.**

16. **Force Majeure:** In the event of any failure or delay in performance due to circumstances beyond Apex's control, including but not limited to strikes, lockouts, fires, floods, acts of God or public enemy, riots, civil disorders, insurrections, war or war conditions, or interference by civil or military authorities, Apex shall not be held liable for any resulting loss or damage. The time for performance under this agreement shall be extended for a period equal to the duration of the disabling cause and a reasonable time thereafter. This provision shall constitute a force majeure clause and shall be construed accordingly.

17. **The applicable state and federal laws shall govern the interpretation and enforcement of these Terms and Conditions. No choice of law or conflict of laws provisions shall affect this governing law provision.**

18. **Severability:** This applies to all clauses and covenants contained within these Terms and Conditions. In the event that any clause or covenant is deemed invalid, illegal, or unenforceable, the remaining provisions shall remain valid and enforceable to the fullest extent permissible by law. The validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired by the invalidity, illegality, or unenforceability of any provision deemed so.

19. **Nonwaiver:** This applies to these Terms and Conditions. This means that any failure by one party to enforce a provision of these terms on one or more occasions shall not be construed as a waiver of that provision. In other words, any failure to enforce a provision does not give up the right to enforce it in the future. All provisions of these Terms and Conditions remain in full force and effect, regardless of any prior failure to enforce them.

EXHIBIT F