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Attorneys for Plaintiff

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

BRYAN DIAZ, individually, and on behalf
of other aggrieved employees pursuant to
the California Private Attorneys General
Act;

Plaintiff,

vs.

TAWA RETAIL GROUP, INC., a
California corporation; TAWA SERVICES,
INC., a California corporation; TAWA
SUPERMARKET, INC., a California
corporation; TAWA INC. (RETAIL), a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No.: 24TRCV00332

Honorable Gary Y. Tanaka
Department M

**DECLARATION OF MELISSA LEBLANC-
MANSELL IN SUPPORT OF PLAINTIFF'S
MOTION FOR APPROVAL OF PRIVATE
ATTORNEYS GENERAL ACT
SETTLEMENT AGREEMENT AND
RELEASE, AWARD OF ATTORNEYS'
FEES AND COSTS, GENERAL RELEASE
FEE, AND SETTLEMENT
ADMINISTRATION COSTS**

[Notice of Motion and Motion for Approval of
Private Attorneys General Act Settlement
Agreement and Release, Attorneys' Fees and
Costs, General Release Fee, and Settlement
Administration Costs; Declaration of Plaintiff
(Bryan Diaz); and [Proposed] Order and
Judgment filed concurrently herewith]

Reservation ID: 770059785051
Hearing Date: April 15, 2025
Hearing Time: 8:30 a.m.
Department: M

Complaint Filed: January 31, 2024
Trial Date: None Set

DECLARATION OF MELISSA LEBLANC-MANSELL

I, Melissa LeBlanc-Mansell, hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am a member of Lawyers *for* Justice, PC, attorneys of record for Plaintiff Bryan Diaz (“Plaintiff”). The facts set forth in this declaration are within my personal knowledge or based on information and belief and, if called as a witness, I could and would competently testify thereto.

LITIGATION AND REPRESENTATIVE AND CLASS ACTION EXPERIENCE

2. For over a decade, Lawyers *for* Justice, PC has almost exclusively focused on the prosecution of consumer and employment class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. Currently, Lawyers *for* Justice, PC is the attorney of record in well over a dozen employment-related putative class actions in both state and federal courts in the State of California. Lawyers *for* Justice, PC is comprised of attorneys who focus on litigating complex wage-and-hour class and Private Attorneys General Act (“PAGA”) representative actions. Lawyers *for* Justice, PC has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. Lawyers *for* Justice, PC has recovered, sometimes in association with other law firms, millions of dollars on behalf of thousands of individuals in California.

3. Edwin Aiwarzian is a Managing Member and Shareholder of Lawyers for Justice, PC. He received his Bachelor of Arts degree from Pepperdine University in April of 1999 and earned a Juris Doctor degree from Pepperdine University School of Law in May of 2004. He has extensive formal training in dispute resolution and negotiation from the Straus Institute for Dispute Resolution as part of its Masters in Dispute Resolution degree program. In addition, he has previously served as a pro bono mediator for the Los Angeles County Superior Court. In October of 2000, he obtained a Litigation Paralegal Certificate from the UCLA Extension Program. During the summer of 2000, he studied Legal Writing at Harvard University. From approximately September 2002 to approximately December 2002, he served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the United States Court of Appeals for the Ninth

Circuit. From approximately June 2002 to approximately August 2002, he served as a Judicial Extern to the Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District. In December of 2004, he obtained a license to practice law from the California State Bar. Since in or around October of 2008, through his work at Lawyers for Justice, PC, he has almost exclusively focused on the prosecution of consumer and employment class actions. While employed by Lawyers for Justice PC, he has argued over one hundred (100) motions, taken or defended over one hundred fifty (150) depositions, prepared dozens of expert witnesses for deposition or trial, and attended over one hundred seventy-five (175) mediations. Together with other attorneys at the firm, and in some cases in conjunction with co-counsel, he has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. Under his supervision, Lawyers for Justice, PC has successfully obtained class certification by contested motion practice in approximately sixteen (16) cases in the last decade, and litigated over 1,000 class action or representative action cases.

4. Arby Aiwazian is a Member and Shareholder of Lawyers for Justice, PC. He received his Bachelor of Arts degree from University of California, Los Angeles and graduated magna cum laude. He earned a Juris Doctor degree, cum laude, from Southwestern Law School. From approximately May 2007 to approximately July 2007, he served as a Judicial Extern to the Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District. From approximately August 2008 to approximately December 2008, he served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the United State Court of Appeals for the Ninth Circuit. He was admitted to practice law in California in 2010. He is admitted to practice before all courts of the State of California and all United States District Courts in the State of California. He has worked on many wage-and-hour class action and representative action cases, taking the lead in taking and defending depositions, arguing motions, and attending mediations. He has played an integral role in preparing matters for class certification, including and not limited to, successful certification of a class in *Upson v. Sur La Table* (Los Angeles County Superior Court Case No. BC424012), *Montazemi v. Regus Management* (Los Angeles

County Superior Court Case No. BC478769), and *Abdulhaqq v. Urban Outfitters* (Alameda County Superior Court Case No. RG13680477). Under his supervision, dozens of class action or representative action cases have resulted in settlements that have been granted court approval. He has handled over one hundred and fifty (150) mediations and has worked on over two hundred and fifty (250) class action or representative action cases which have resulted in settlement.

5. Joanna Ghosh is a Managing Member of Lawyers for Justice, PC. She received a Bachelor of Arts degree from California State University, Los Angeles in 2006, a Master of Science degree from the London School of Economics in 2007, and a Juris Doctor degree from Georgetown University Law Center in 2010. She is admitted to practice in California (since 2010) and in New York (since 2013) and she is also admitted to practice in all U.S. District Courts in California, the U.S. Bankruptcy Court for the Central District of California, and the U.S. Supreme Court. She has taken and defended dozens of depositions and successfully handled motion practice in class action cases regarding discovery (including and not limited to, regarding class contact information), class certification (both contested class certification and stipulated class certification), arbitration agreements, coordination, and intervention. She has successfully handled briefing and oral argument on appeal and obtained notable decisions regarding Private Attorneys General Act claims and employer efforts to compel arbitration of such claims, e.g., *Roberto Betancourt v. Prudential Overall Supply* (Cal. Ct. App., Mar. 7, 2017) 9 Cal.App.5th 439, cert. denied (Cal., May 24, 2017), cert. denied (U.S., Dec. 11, 2017) and *ZB, N.A. v. Superior Court* (2019) 8 Cal.5th175. She has significant experience with class actions, including and not limited to working on cases to obtain class certification through contested motion practice and working on cases in the post-certification stage (e.g., post-certification discovery, appeal, statistical sampling and pilot study, and trial preparation in conjunction with co-counsel in a case involving a certified class consisting of approximately 2,600 individuals). She has extensive experience with class action and/or representative action settlements, and has handled this process in over five hundred (500) cases. Under her, Edwin Aiwazian, and Arby Aiwazian's supervision, Lawyers for Justice, PC has handled the class certification and court

1 approval process for hundreds of class action and/or representative action matters that have
2 successfully resolved. She is a member of the California Employment Lawyers Association and,
3 on several occasions, has been a speaker regarding topics in wage and hour law at the
4 organization's continuing legal education events.

5 6. I am a Member of Lawyers *for* Justice, PC. I received my undergraduate degree
6 from Louisiana State University, Baton Rouge and my Juris Doctor degree from the University
7 of Toledo College of Law. After graduating from law school, I clerked for the Honorable George
8 J. Larke, Jr. of the Louisiana 32nd Judicial District Court. I was originally admitted to practice
9 law in Louisiana in 2009, then admitted to practice law in California in 2012, in Washington in
10 2022, and in Oregon in 2023. Prior to joining Lawyers *for* Justice, PC, I practiced family law
11 and personal injury law, serving as second chair for trials, practiced workers' compensation law,
12 handled medical malpractice and plaintiff's-side securities and wage and hour class action cases,
13 and served as a Compliance and Special Investigations Unit Manager for AIDS Healthcare
14 Foundation. At Lawyers *for* Justice, PC, I have worked on many complex wage-and-hour class
15 and PAGA representative action cases, and handled all aspects of litigation of said cases.
16 Further, I have trained and managed a large team of attorneys at the firm, with a focus on
17 evaluating and preparing cases for mediation and mandatory settlement conferences. I have
18 extensive experience in the class action mediation process and have successfully negotiated
19 settlements in over 100 cases.

20 THE LAWSUITS

21 7. Defendant Tawa Retail Group, Inc. ("Defendant" or "Tawa Retail Group") is an
22 Asian supermarket chain operating under the name 99 Ranch Market. During the relevant time
23 period, Defendant operated 63 locations across ten states, including approximately 42 locations
24 in California. Plaintiff Bryan Diaz is a former employee of Defendant.

25 8. Plaintiff has satisfied the prerequisites under California Labor Code section
26 2699.3(a), including, and not limited to, providing the California Labor and Workforce
27 Development Agency ("LWDA") and the employer with written notice of the specific
28 provisions of the California Labor Code that are alleged to have been violated, including the

facts and theories to support the alleged violations, by way of written correspondence on behalf of Plaintiff Bryan Diaz that was dated November 27, 2023 (the “PAGA Notice”). The PAGA Notice was sent by U.S. Certified Mail to the employers and submitted to the LWDA by way of online submission on the LWDA’s website. Aside from confirmation of receipt of the PAGA Notices, the LWDA did not respond to the PAGA Notices. A true and correct copy of the PAGA Notice is attached hereto as “**EXHIBIT 1.**”

9. On January 31, 2024, Plaintiff filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *Et Seq.* (“Operative Complaint”) against Defendant, Tawa Services, Inc., Tawa Supermarket, Inc., and Tawa Inc. (Retail) in the Los Angeles County Superior Court (“Court”), Case No. 24TRCV00332 (the “PAGA Action”). Plaintiff’s core allegation is that Defendant has violated the California Labor Code by engaging in a uniform practice and procedure, with respect to Plaintiff and other Aggrieved Employees, of, *inter alia*, failing to pay overtime and minimum wages, failing to provide compliant meal and rest periods and associated premiums, failing to pay timely wages during employment and upon termination of employment, failing to provide complete and accurate itemized wage statements, failing to keep complete and accurate payroll records, and failing to reimburse necessary business-related expenses and costs.

10. On November 30, 2024, Plaintiff filed a Class Action Complaint for Damages against Defendant, Tawa Services, Inc., Tawa Supermarket, Inc., and Tawa Inc. (Retail), in the Los Angeles County Superior Court, Case No. 23STCV29399 (the “Class Action”), alleging: (1) failure to pay overtime pursuant to Labor Code sections 510 and 1198; (2) failure to provide meal period premiums in violation of sections 226.7 and 512(a); (3) failure to provide rest period premiums in violation of section 226.7; (4) failure to pay minimum wages pursuant to sections 1194, 1197, and 1197.1; (5) failure to timely pay wages upon termination in violation of sections 201 and 202; (6) failure to timely pay wages during employment in violation of section 204; (7) failure to provide accurate and itemized wage statements in violation of section 226(a); (8) failure to keep requisite payroll records in violation of section 1174(d); (9) failure to reimburse business expenses in violation of sections 2800 and 2802; and (10) violations of California

Business and Professions Code §§ 17200, *et seq.* The term “Actions” as used herein shall refer to the Class Action and the PAGA Action.

11. On March 26, 2024, defense counsel filed a Declaration on behalf of Defendant requesting an extension for Defendant to file a responsive pleading to Plaintiff’s complaint in the PAGA Action to allow the Parties times to meet and confer regarding the enforceability of the arbitration agreement produced by Defendant. On February 20, 2024, defense counsel made the same request at the Initial Status Conference held in the Class Action. Defendant maintained, and continues to maintain, that Plaintiff signed a purported arbitration agreement. Further, Defendant maintained, and continues to maintain, that it had, and continues to have, legally-compliant employment policies and practices throughout the time period at issue. Defendant denies that it ever violated any provision of the California Labor Code, including, but not limited to, those sections for which Plaintiff seeks penalties under the PAGA.

12. On March 22, 2024, Plaintiff propounded Form Interrogatories (Set One), Requests for Admission (Set One), Request for Production of Documents (Set One), and Special Interrogatories (Sets One and Two) on Defendant, Tawa Services, Inc., Tawa Supermarket, Inc., and Tawa Inc. (Retail). Thereafter, the Parties met and conferred and, ultimately, agreed to attend an early mediation session. In advance of the mediation session, the Parties agreed to mediate Plaintiff’s PAGA claims as to only Defendant Tawa Retail Group, Inc. The Parties further agreed that, should a settlement be reached, Plaintiff would move to dismiss Tawa Services, Inc., Tawa Supermarket, Inc., and Tawa Inc. (Retail) from the PAGA Action.

THE SETTLEMENT REACHED IN THE ACTION

13. Marked and attached hereto as “**EXHIBIT 2**” is the Private Attorneys General Act Settlement Agreement and Release (“Settlement,” “Agreement,” or “Settlement Agreement”), entered into between Plaintiff Bryan Diaz, for himself and on behalf of the State of California with respect to Aggrieved Employees pursuant to the Private Attorneys General Act, and Defendant Tawa Retail Group, Inc. Plaintiff and Defendant (together, the “Parties”) have also drafted and agreed to the form and content of the proposed informational cover letter (“Cover Letter”) for mailing to Aggrieved Employees when Individual Settlement Shares are

distributed to them, in substantially the form attached as “EXHIBIT A” both to the Settlement Agreement and to the [Proposed] Order and Judgment Granting Approval of Private Attorneys General Act Settlement Agreement and Release, Award of Attorneys’ Fees and Costs, General Release Fee, and Settlement Administration Costs. The Court is respectfully requested to approve the proposed Cover Letter.

14. The Settlement pertains to the following allegedly aggrieved employees: all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California at any time during the PAGA Release Period (“Aggrieved Employees”). The “PAGA Period” means the period between November 27, 2022, through September 16, 2024. Based on information provided by Defendant, it is estimated that there are approximately 1,512 Aggrieved Employees who are credited with 31,105 Compensable Pay Periods during the PAGA Period.

15. Defendant has agreed to pay the gross amount of \$550,000.00 (“Total Settlement Amount”), subject to possible increase under Section 5(b) of the Settlement Agreement, to settle this matter. The Settlement Agreement provides that the “Net Settlement Amount” will be the Total Settlement Amount less the following amounts: (1) Attorneys’ Fees and Costs in the amount of up to 35% (\$192,500.00 if the Total Settlement Amount remains \$550,000.00) for attorneys’ fees and up to \$20,000.00 for reimbursement of litigation costs and expenses to Lawyers for Justice, PC (“Plaintiff’s Counsel”); (2) General Release Fee in the amount of up to \$10,000.00 to Plaintiff; and (3) Settlement Administration Costs of up to \$10,000.00 to the PAGA Settlement Administrator for costs and expenses of administration of Settlement. Plaintiff’s counsel seeks an award of reimbursement of litigation costs and expenses in the amount of only \$15,142.75, and the amount of up to only \$6,000.00 is sought for payment to Simpluris, Inc. for the costs and expenses of administration of Settlement based on the quote provided by Simpluris, Inc. (“Settlement Administration Costs”). As such, assuming that the requested Attorneys’ Fees and Costs, General Release Fee, and Settlement Administration Costs, are approved by the Court, the Net Settlement Amount is estimated to be approximately \$326,357.25. The Net Settlement Amount will be distributed to the LWDA and the Aggrieved

Employees pursuant to California Labor Code section 2699(i). 75% of the Net Settlement Amount will be distributed to the LWDA, which is estimated to be \$244,767.94 (“LWDA Payment”), and 25% of the Net Settlement Amount, which is estimated to be \$81,589.31 (“Employees’ Portion”), will be distributed to the Aggrieved Employees on a *pro rata* basis, based on their number of pay periods they each worked during the PAGA Period (“Compensable Pay Periods”). The Parties have agreed to retain Simpluris, Inc. (“Simpluris” or “PAGA Settlement Administrator”) to handle the administration of the Settlement, and the Court is respectfully requested to appoint Simpluris to serve as the PAGA Settlement Administrator. The Settlement Administration Costs are estimated not to exceed \$6,000.00 and will be paid out of the Total Settlement Amount, subject to approval by the Court.

THE LITIGATION AND WORK PERFORMED BY PLAINTIFF’S COUNSEL

16. The effectiveness of Plaintiff’s Counsel, Lawyers *for* Justice, PC in prosecuting this case has translated into tangible monetary benefits for Plaintiff, Aggrieved Employees, and the State of California in the following respects: (1) their recoveries over a reasonably short period of time as opposed to waiting additional years for the same, or possibly, a worse, result; (2) a guaranteed result that compares favorably with other similar representative action settlements; and (3) significant savings in fees and costs which would have only increased significantly had the case progressed through trial and/or appeals.

17. After engaging in extensive investigations, formal and informal discovery, and exchange of information, data, and documents, the Parties participated in extensive settlement discussions and negotiations to try to resolve the above-captioned lawsuits. These efforts included participating in a formal full-day mediation on September 16, 2024, conducted by Monique Ngo-Bonnici, Esq., a well-respected mediator experienced in mediating complex labor and employment matters. With the aid of the mediator, the Parties reached the Settlement described herein. In the course of mediation and settlement discussions, the parties discussed all aspects of the case, including the risks and delays of further litigation and proceeding with trial, as well as the law relating to representative PAGA actions, off-the-clock theory, meal and rest periods, meal waivers, Industrial Welfare Commission Wage Orders, arbitration agreements,

wage-and-hour enforcement, the evidence produced and analyzed, and the possibility of bifurcation of discovery and/or trial and appeals, among other things. During all settlement discussions, the parties conducted their negotiations at arm's length in an adversarial position.

18. Prior to reaching the Settlement, the Parties investigated the veracity, strength, and scope of the PAGA claim and allegations, and were preparing for trial. Plaintiff conducted significant investigation, formal and informal discovery, and exchange of information, documents, and data regarding the facts of the case, including and not limited to, the review, consideration, and analysis of a large volume of information, documents, and data obtained from Plaintiff, Defendant, and other sources. Plaintiff's Counsel propounded multiple sets of formal written discovery requests to each of the four named Defendants (specifically, Requests for Production of Documents (Set One), Requests for Admission (Set One), Special Interrogatories (Sets One and Two), and Form Interrogatories – General (Set One)). The information, documents, and data that were reviewed and analyzed by Plaintiff's Counsel included, and were not limited to, Plaintiff's personnel file; a detailed sampling of Aggrieved Employees' time and pay data; multiple iterations of Defendant's Employee Handbook; job descriptions; various forms, agreements, and acknowledgments (such as, Defendant's Confidentiality and Non-Disclosure Agreement, Acknowledgement of Receipt for the Employee Handbook, and Second Meal Period Waiver); and Defendant's operations and employment practices, policies, and procedures (such as, Defendant's Meal and Rest Periods Policy), among other documents. Counsel for the parties undertook significant investigation and evaluation of the PAGA claim and related allegations, including, and not limited to, calculating the potential monetary recovery under PAGA. Other work performed by Plaintiff's Counsel included, but was not limited to: meeting and conferring with Defendant's counsel regarding the pleadings, case management, discovery, arbitration, mediation, and settlement negotiations, among other issues; case strategy and analysis; researching, drafting, reviewing, and revising pleadings, court filings, motion-related papers (e.g., with respect to settlement approval motion papers), briefs for settlement negotiations and mediation, and the settlement agreement; propounding written discovery requests; claims evaluation and analysis; preparing for and participating in settlement

negotiations and the mediation; and appearing for court proceedings. Counsel for the parties have further invested time to research the applicable law, which is evolving as it relates to representative PAGA actions, off-the-clock theory, meal and rest periods, meal waivers, Industrial Welfare Commission Wage Orders, arbitration agreements, wage-and-hour enforcement, Plaintiff's claims, and Defendant's defenses, as well as facts discovered.

19. Based on investigation and information discovered, Plaintiff's Counsel believes that there is sufficient evidence to support the allegations that Defendant violated the California Labor Code. While Plaintiff's Counsel believes that the PAGA claim has merit and that Plaintiff will ultimately succeed in this litigation and prevail at trial, Plaintiff and Plaintiff's Counsel also recognize Defendant's defenses, the costs of further litigation, and multiple risks to recovery. For example, although wage-and-hour actions are amenable to resolution as to a group of employees, some courts have also found that, for various reasons, the issues raised by Plaintiff, including, and not limited to, the issues of non-compliant meal periods, non-compliant rest periods, and unreimbursed business expenses, raise individualized issues and/or are not suitable for adjudication as to a group of employees.

20. Plaintiff and his counsel have also considered the uncertainty and risk of the outcome of further litigation, including the difficulties and delays inherent in such litigation. In order to prevail on the PAGA claim, Plaintiff would have to prove that Defendant engaged in the alleged California Labor Code violations and demonstrate that Defendant's conduct warrants the imposition of penalties.

**THE STRENGTHS AND WEAKNESSES OF THE PAGA CLAIM, AND THE RANGE
OF POSSIBLE OUTCOMES**

21. In order for Plaintiff to prevail on the PAGA claim, he would have to prove that Defendant engaged in the alleged California Labor Code violations and demonstrate that Defendant's conduct warrants the imposition of penalties. Furthermore, although wage-and-hour actions are amenable to resolution as to a group of employees, some courts have also found that, for various reasons, the issues raised by Plaintiff may involve individualized issues and/or are not suitable for adjudication as to a group of employees.

22. From the inception of this litigation, Defendant indicated that it would aggressively litigate the cases and contended that it would ultimately succeed in the matter. Defendant maintained several defenses to Plaintiff's allegations, which, if successfully argued and proven, had the potential to eliminate or substantially reduce recovery. Throughout this litigation, Defendant maintained, and continues to maintain, that it did not engage in a uniform policy and systematic scheme of wage abuse against any of its employees, and that it had, and continues to have, legally-compliant employment policies and practices throughout the time period at issue. Defendant denies that it ever violated any provision of the California Labor Code. Defendant further denied, and continues to deny, that the lawsuit is appropriate for representative adjudication for any purpose other than the Settlement.

23. Defendant also challenged Plaintiff's standing as an aggrieved employee and denied that any of its other employees, with respect to whom Plaintiff seeks civil penalties are aggrieved. Also, multiple courts have taken an approach requiring a plaintiff to establish standing and face the possibility of bifurcation of discovery and/or trial of the PAGA claim. See *Amalgamated Transit Union, Local 1756, AFL-CIO v. Superior Court*. (2009) 46th Cal.4th 993, 1001 (noting that PAGA "require[s] a plaintiff to have suffered an injury resulting from an unlawful action"); *Stafford v. Dollar Tree Stores, Inc.* (E.D. Cal. Nov. 21, 2014) 2014 WL 6633396, at *4 (finding that judicial economy supported bifurcation because of the difficulties and inherent uncertainties of being able to establish liability with respect to a large number of potentially aggrieved employees and noted that "PAGA's public purpose would be ill-served if the court finds [the plaintiff] has not been aggrieved by a Labor Code violation"); *Grappo v. Coventry Fin. Corp.* (1991) 235 Cal.App.3d 496, 504 (Trial courts have "broad discretion to determine the order of proof in the interest of judicial economy"); see also Cal. Code Civ. Proc. § 598 (The court may "when the convenience of witnesses, the ends of justice, or the economy and efficiency of handling the litigation would be promoted thereby, on motion of a party, after notice and hearing, make an order. . . that the trial of any issue or any part thereof shall precede the trial of any other issue or any part thereof in the case[.]"); Cal. Code Civ. Proc. § 1048(b) (Court can separate trial of any cause of action or of any separate issue in the interest of

1 convenience or to avoid prejudice); Cal. Code Civ. Proc. § 2019.020(b) (Courts have the power
2 to “establish the sequence and timing of discovery for the convenience of parties and witnesses
3 and in the interests of justice”); *Horton v. Jones* (1972) 26 Cal.App.3d 952, 955 (stating that
4 bifurcation and sequencing of litigation is allowed to avoid wasting time and money on trial
5 when litigation of issues could be rendered moot).

6 24. Defendant pointed to case law that held that, given the derivative nature of the
7 PAGA claim, it would stand or fall based on whether Plaintiff could successfully demonstrate
8 the requisite elements to establish the various alleged violations of the California Labor Code
9 that the PAGA claim is predicated on and derives from, and the success of showing, *inter alia*,
10 failure to properly pay wages, failure to provide compliant meal and rest periods, failure to
11 reimburse for expenses, etc.

12 25. Further, Defendant also maintained that, in addition to its strong arguments
13 against the underlying claims, taking the current unsettled state of law, it would be unjust to
14 award the maximum potential PAGA penalties. There was also a dearth of law and guidance
15 regarding trials and/or assessment of penalties under the PAGA statute, there is no clearly
16 established methodology for the valuation and/or assessment of PAGA penalties, and case
17 outcomes (such as those discussed below) have shown that the actual amount of civil penalties
18 actually assessed by trial courts is far less than the amount sought.

19 26. Defendant also argued that an important feature of PAGA is that the Court retains
20 discretion to lower the penalties if, based on the facts and circumstances of the particular case,
21 to do otherwise would result in an award that is “unjust, arbitrary and oppressive, or
22 confiscatory.” See Cal. Lab. Code § 2699(e)(2); see also *Thurman v. Bayshore Transit*
23 *Management, Inc.* (2012) 203 Cal.App.4th 1112, 1136 (holding that a court may reduce the
24 amount of PAGA penalties awarded to an employee based upon discretionary factors).
25 Defendant maintained, and continues to maintain, that it had and continues to have, legally-
26 compliant employment policies and practices throughout the time period at issue. Even if,
27 arguendo, such violations occurred, which Defendant denies, Defendant contended that said
28 violations would only be considered “initial violations” and thus heightened “subsequent

violation” penalties were not warranted. See Cal. Lab. Code § 2699(f)(2); see also *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1208-09 (“Until the employer has been notified that it is violating a Labor Code provision [...], the employer cannot be presumed to be aware that its continuing underpayment of employees is a ‘violation’ subject to penalties.”). Defendant argued that it would be able to show a lack of willfulness in the violations, such that the alleged California Labor Code violations would not be considered “willful.” Defendant contended that, at best, even if a violation giving rise to a penalty was shown for each pay period, only the lower civil penalty associated with initial violations would apply. As discussed above, Defendant denied and continues to deny that it ever violated any provision of the California Labor Code. However, assuming, *arguendo*, that any violations occurred, Defendant argued the violations would not be viewed as subsequent violations giving rise to heightened penalties. Defendant also argued that the Court was unlikely to assess cumulative penalties for the maximum number of possible, separate California Labor Code violations, because it would be unjust, arbitrary, oppressive, and/or confiscatory—especially where certain conduct may be regulated by multiple provisions of the California Labor Code that are interrelated and work in tandem. As such, Defendant contended that cumulative penalties and heightened penalties would be unjust, arbitrary, oppressive, and confiscatory.

27. Plaintiff’s Counsel was also aware of case law indicating that courts have attributed little separate value to PAGA claims, for example, allowing them to be resolved for \$0 where the other underlying California Labor Code claims are being (or have been) resolved, or, assessing much lower amounts of civil penalties against employers than are sought. See e.g., *Magadia v. Wal-Mart Assocs.* (N.D. Cal. 2019) 384 F. Supp. 3d 1058, 1100-1101, 1103-1104, 1111 (finding that, under Labor Code § 2699(e)(2), “the Court has broad discretion to award PAGA penalties the Court sees fit” and reducing the PAGA penalty award significantly from the maximum penalties possible); *Morales v Bridgestone Retail Operations LLC*, Orange County Superior Court No. 30-2017-00900244 (Aug. 2, 2018) (of \$7 million PAGA penalties requested, the court awarded \$425,000); *Carrington v Starbucks Corp.* (2018) 30 Cal.App.5th 504, 517, 529 (of \$75 million in penalties sought, the court affirmed the trial court’s \$150,000

PAGA penalty award based on 30,000 violations, which reduced the penalty rate to \$5 per violation); *Arnold v San Diego Second Chance Program*, San Diego County Superior Court No. 37-2016-00018375 (Dec. 18, 2017) (no PAGA penalties awarded); *Felczner v Apple Inc.*, San Diego County Superior Court No. 37-2011-00102593 (Sept. 13, 2017) (no PAGA penalties awarded); *In re Taco Bell Wage and Hour Actions* (E.D. Cal. Apr. 8, 2016) No. 1:07-cv-01314-SAB, 2016 U.S. Dist. LEXIS 48557 at *41 (the court declined to award PAGA penalties after trial); *Allen v American Multi-Cinema*, Alameda County Superior Court No. RG11585502 (July 24, 2016) (no PAGA penalties awarded); *Atempa v Pama*, San Diego County Superior Court (July 31, 2015) (of PAGA penalties of \$456,133 sought, the court awarded \$197,434.00); *Driscoll v Granite Rock*, Santa Clara County Superior Court No. 1-08-cv-103426 (Sept. 20, 2011) (the court declined to award PAGA penalties); *Fleming v Covidien, Inc.*, No. ED CV10-01487 RGK (OPx) (C.D. Cal. Aug. 12, 2011) 2011 U.S. Dist. LEXIS 154590 at **8-9 (of \$2,800,000 PAGA penalties requested, the court awarded \$500,000); *Aguirre v Genesis Logistics*, No. SACV 12-00687-JVS (ANx) (C.D. Cal. Dec. 30, 2013) 2013 U.S. Dist. LEXIS 189820 at **6-7 (of \$1,800,000 PAGA penalties requested, the court awarded \$500,000); *Halevi v Aroma Bakery Café, Inc.*, Los Angeles County Superior Court No. 468146 (Aug. 30, 2013) (the court declined to award PAGA penalties after trial awarding wages to class on the basis that, inter alia, the lawsuit was not prompted by availability of PAGA penalties, penalties were not necessary to remedy ongoing or future violations, corporate defendants corrected violations and were no longer in business, and plaintiffs did not offer evidence establishing imposition of penalties on individual defendants would not be confiscatory).

28. Importantly, Defendant also contended that the claims of Plaintiff and other Aggrieved Employees are subject to enforceable binding arbitration agreements. Defendant contended that, taken together, these agreements would have claim preclusive impact, or otherwise, could effectively be used to require Aggrieved Employees to engage in individual arbitration of their individual claims on which the PAGA claim is predicated. There is uncertainty regarding the arbitrability of PAGA claims due to decisions of the high courts. For example, as a result of a recent United States Supreme Court decision, it is more likely that

1 employer agreements containing arbitration terms will impact the viability of adjudication of
2 PAGA claims in the judicial forum. *Viking River Cruises, Inc. v. Moriana* (2022) 596 U.S. 639.
3 Although the substantive statutory right to pursue a PAGA claim has not been eviscerated and
4 has been preserved, arbitration agreements may be used to select the forum and procedure to be
5 used to resolve PAGA claims to some extent. Recently, the California Supreme Court confirmed
6 that an aggrieved employee who has been compelled to arbitrate claims under PAGA that are
7 premised on California Labor Code violations that were sustained by the aggrieved employee
8 still maintains statutory standing to pursue a PAGA claim arising out of events involving other
9 employees through a PAGA representative claim. *Adolph v. Uber Technologies* (2023) 14
10 Cal.5th 1104. Nevertheless, while the arbitrable and non-arbitrable components of an action are
11 not severed from one another, it is still possible that trial courts will stay the representative/non-
12 individual PAGA claims pending arbitration of a plaintiff's individual PAGA claims and if a
13 plaintiff is determined to not be an "aggrieved employee" for PAGA purposes, issue preclusion
14 may apply and, once reduced to a final judgment, trial courts are bound by the arbitrator's
15 determination and the plaintiff may lose standing to pursue non-individual PAGA claims. *Id.* at
16 693.

17 29. Furthermore, the recent amendment of the PAGA statute enacted on July 1, 2024,
18 adopting, *inter alia*, modified standing requirements, a manageability requirement, reduced civil
19 penalties that can be assessed against an employer if an employer meets certain conditions, and
20 additional employer to cure options to avoid the assessment of civil penalties, has created
21 uncertainty regarding the future of claims for civil penalties under PAGA. As such, at the time
22 that the Parties reached the settlement, and also now, there is uncertainty regarding the PAGA
23 claim.

24 30. While Plaintiff disagrees with Defendant's contentions and maintains that his
25 PAGA claim has merit, in reaching the settlement, Plaintiff and his counsel took into account
26 the strengths and weaknesses of each side's position and the uncertainty of how the case might
27 have concluded as litigation continued, at trial, and/or upon appeal.

28 31. The Parties had the opportunity to review extensive information, documents, and

1 data regarding Plaintiff's and Aggrieved Employees' employment with Defendant in an effort
2 to determine the potential value and strength of the PAGA claim. Counsel for the Parties
3 invested time reviewing and analyzing the relevant information, documents, and data, and this
4 information made it possible to calculate the potential value of the PAGA claim (as discussed
5 below). Accordingly, the Parties have conducted sufficient investigation and review of data,
6 documents, and information to be sufficiently apprised of the nature and extent of the PAGA
7 claim asserted in this lawsuit, and to enable both sides to fully evaluate the Settlement for its
8 fairness, adequacy, and reasonableness. The Parties have also considered the settlement
9 negotiations and the recommendations of the mediator Monique Ngo-Bonnici, Esq., who is
10 highly experienced in mediating complex labor and employment matters. The Parties have
11 agreed that this case is well-suited for settlement given the legal issues relating to the PAGA
12 claim, as well as the costs, risks, and delays to both sides that would attend further litigation.
13 The Settlement takes into account the strengths and weaknesses of each side's position and the
14 uncertainty of how the case might have concluded as litigation continued, at trial, and/or upon
15 appeal.

16 32. The foregoing discussion confirms that the amount of the Settlement is adequate
17 in light of the legal basis, facts, evidence, and circumstances in connection with Plaintiff's
18 allegations and the PAGA claim. Neither liability nor the ability to adjudicate and/or recover
19 civil penalties on a representative basis is clear-cut, which is why the Parties elected to settle
20 this matter. Plaintiff's Counsel considered the defenses asserted, information and evidence
21 obtained, and circumstances in this case, which posed risks to representative adjudication and
22 monetary recovery. Plaintiff's Counsel also considered the fact that, by law, the Court has the
23 discretion to reduce and/or assess lower penalties, that it was not clear that heightened penalties
24 would apply, and that stacking and/or cumulative penalties may not be allowed.

25 33. The Settlement Agreement has been submitted to the California Labor and
26 Workforce Development Agency in conformity with California Labor Code §2699(l)(2).
27 Attached hereto as "EXHIBIT 3" is a true and correct copy of the confirmation of submission
28 from the LWDA.

ATTORNEYS' FEES REQUESTED BY PLAINTIFF'S COUNSEL

34. As set forth more fully in the accompanying Motion, Plaintiff's Counsel seeks attorneys' fees in the amount of \$192,500.00, which represents approximately 35% of the Total Settlement Amount. Pursuant to the contingency-fee agreement entered into by and between Plaintiff and Plaintiff's Counsel, Plaintiff has agreed to a contingency-fee of at least 35% of the recovery. The attorneys' fees sought are commensurate with: (1) the risk that Plaintiff's Counsel took in commencing the case; (2) the time, effort, and expense that Plaintiff's Counsel dedicated to the case; (3) the skill and determination that Plaintiff's Counsel has shown; (4) the results that Plaintiff's Counsel has achieved throughout the litigation; (5) value of the settlement that Plaintiff's Counsel has achieved in the case; and (6) the other cases that Plaintiff's Counsel has turned down in order to devote its time and efforts to this case.

LITIGATION COSTS AND EXPENSES INCURRED BY PLAINTIFF'S COUNSEL

35. The Settlement provides for reimbursement of litigation costs and expenses of up to \$20,000.00. Plaintiff's Counsel seeks reimbursement of \$15,142.75 for litigation costs and expenses incurred in this matter, as reflected in the Case Cost Detail attached hereto as "**EXHIBIT 4.**" It should be noted that Plaintiff's Counsel has borne all of the risks and costs of litigation to date and will not receive any compensation until a recovery is obtained in this matter. These costs and expenses were reasonable and necessary in the prosecution of this matter and to obtain the Settlement. The amount sought for reimbursement is less than the maximum amount allocated under the Settlement Agreement for reimbursement of litigation costs and expenses, and the cost savings of \$4,857.25 will be part of the Net Settlement Amount.

GENERAL RELEASE FEE TO PLAINTIFF

36. For his broader individual waiver and release of claims with a California Civil Code Section 1542 waiver (set forth in Section 10(b) of the Settlement Agreement), the Settlement provides a General Release Fee to Plaintiff in the total amount of up to \$10,000.00 to be paid out of the Total Settlement Amount, subject to approval by the Court. The requested General Release Fee is fair and appropriate. Plaintiff has undertaken significant efforts and work to spearhead the pursuit of this matter. By initiating and pursuing this matter, Plaintiff stepped

1 into the shoes of the State of California and undertook the responsibilities of serving in a
2 representative capacity. Plaintiff has spent a substantial amount of time and effort discussing his
3 employment with his counsel, gathering and producing relevant documents and information,
4 and providing the facts and evidence necessary to attempt to prove the allegations. For example,
5 Plaintiff spent time providing information and documents in preparation for mediation. Plaintiff
6 was available whenever his counsel needed him and actively tried to obtain and provide
7 information that would facilitate the pursuit of the PAGA claim. Accordingly, it is appropriate
8 and just for Plaintiff to receive a General Release Fee, in addition any individual penalties
9 payment he will receive as an aggrieved employee.

10 37. Plaintiff's Counsel submits that the Settlement fulfills the purpose of the PAGA
11 statute, is within the accepted range of recoveries for this type of litigation, and is fair,
12 reasonable, and adequate given the substantial monetary benefits provided for by the Settlement,
13 the strengths and weaknesses of this case, and the inherent delay, costs, risks, and uncertainty
14 associated with continued litigation.

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

17 Executed this 28th day of February 2025, at Salem, Oregon.

18 

19 _____
20 Melissa LeBlanc-Mansell
21
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EXHIBIT 1



November 27, 2023

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAFilings@dir.ca.gov

**Re: TAWA RETAIL GROUP, INC.; TAWA SERVICES, INC.; TAWA
SUPERMARKET, INC.; TAWA INC. (RETAIL)**

Dear Representative:

We have been retained to represent Bryan Diaz against Tawa Retail Group, Inc., Tawa Services, Inc., Tawa Supermarket, Inc., and Tawa Inc. (Retail) (including any and all affiliates, subsidiaries, parents, directors, officers, agents, and executive employees) (collectively referred to as “Tawa”) for violations of California wage-and-hour laws. Mr. Diaz seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 (“PAGA”) and all other remedies available under PAGA.

Mr. Diaz seeks these remedies on behalf of the State of California and “aggrieved employees,” as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

Tawa employed Mr. Diaz as an hourly-paid, non-exempt employee from approximately August 2022 to approximately August 2023, in the State of California.

The “aggrieved employees” that Mr. Diaz may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California.

Based on the following facts and theories, Tawa has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001, and 7-2001.

Tawa required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time. Such work included, but was not limited to, waiting in line to clock-in and/or clock out, and responding to work-related inquiries.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During the relevant time period, Mr. Diaz and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Mr. Diaz and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, Tawa required Mr. Diaz and other aggrieved employees to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods.

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. During the relevant time period, Tawa failed to pay Mr. Diaz and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Tawa failed to pay Mr. Diaz and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, Tawa did not provide Mr. Diaz and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from Tawa were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Mr. Diaz and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars (\$50) for each aggrieved employee per pay period for the initial violation and one hundred dollars (\$100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Mr. Diaz and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Mr. Diaz and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Mr. Diaz and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Mr. Diaz and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, Tawa failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Mr. Diaz and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, Tawa did not provide Mr. Diaz and other aggrieved employees with the minimum wages to which they were entitled for work performed "off-the-clock."

California Labor Code section 1198 provides that "The employment of any employee ... under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful." The applicable Industrial Wage Orders, including *inter alia*, Wage Orders 4-2001, and 7-2001, require that for each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee's regular rate of pay. During the relevant time period, Tawa failed to pay Mr. Diaz and other aggrieved employees half the usual or scheduled day's work in an amount no less than two (2) hours nor more than four (4) hours at the employee's regular rate of pay for workdays in which Mr. Diaz and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day's work. During the relevant time period, Tawa failed to pay Mr. Diaz and other aggrieved employees for two (2) hours at the employee's regular rate of pay on days in

which Mr. Diaz and the other aggrieved employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Mr. Diaz and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by Tawa. These costs include, but are not limited to, the use of a personal phone for work-related tasks, the use of mileage on a personal vehicle for work-related tasks, and the purchasing and maintenance of clothing and footwear in compliance with the dress code.

Therefore, on behalf of all aggrieved employees, Mr. Diaz seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA, including civil penalties pursuant to Labor Code section 558.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,



Gabriella Sole, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

Tawa Retail Group, Inc.
Tawa Services, Inc.
Tawa Supermarket, Inc.
Tawa Inc. (Retail)
c/o Jonson Chen
Agent for Service of Process
6338 Regio Ave
Buena Park, CA 90620

EXHIBIT 2

**PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND
RELEASE**

This Private Attorneys General Act Settlement Agreement and Release (“Settlement Agreement” or “Settlement”) is entered into by and between Bryan Diaz (“Plaintiff”), for himself and as a representative of the State of California with respect to the Aggrieved Employees (as defined in Section 5(a)(5) below) and Tawa Retail Group, Inc. (“Defendant”), subject to approval by the Court. The term “Party” or “Parties” as used herein shall refer to Plaintiff, Defendant Tawa Retail Group, Inc., or both, as may be appropriate.

1. **Recitals.** This Settlement Agreement is made with reference to the following facts:

(a) Plaintiff is a former employee of Defendant. Plaintiff was employed by Defendant from approximately August 2022 to approximately August 2023;

(b) On November 27, 2023, Lawyers *for* Justice, PC (“Plaintiff’s Counsel”), submitted a letter on behalf of Plaintiff to the California Labor and Workforce Development Agency (“LWDA”) and Defendants Tawa Retail Group, Inc., Tawa Services, Inc., Tawa Supermarket, Inc., and Tawa Inc. (Retail), to notify the LWDA and Defendants Tawa Retail Group, Inc., Tawa Services, Inc., Tawa Supermarket, Inc., and Tawa Inc. (Retail), pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”) of Plaintiff’s intent to seek civil penalties under PAGA for Defendants’ alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders Nos. 4-2001, and 7-2001, thereby initiating LWDA Case Number LWDA-CM-996244-23 (the “PAGA Notice”);

(c) On January 31, 2024, Plaintiff filed the Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. (“Operative Complaint”), commencing a representative action under PAGA against Defendants, entitled *Bryan Diaz v. Tawa Retail Group, Inc., et al.*, Los Angeles Superior Court Case No. 24TRCV00332 (the “PAGA Action”). The Operative Complaint asserts a single cause of action for civil penalties under PAGA, for violations of multiple provisions of the California Labor Code and applicable Industrial Welfare Commission Wage Orders;

(d) On November 30, 2023, Plaintiff filed a Class Action Complaint for Damages, commencing a class action against Defendants, entitled *Bryan Diaz v. Tawa Retail Group, Inc., et al.*, Los Angeles Superior Court Case No. 23STCV29399 (the “Class Action”), alleging: (1) failure to pay overtime pursuant to Labor Code sections 510 and 1198; (2) failure to provide meal period premiums in violation of sections 226.7 and 512(a); (3) failure to provide rest period premiums in violation of section 226.7; (4) failure to pay minimum wages pursuant to sections 1194, 1197, and 1197.1; (5) failure to timely pay wages upon termination in violation of sections 201 and 202; (6) failure to timely pay wages during employment in violation of section 204; (7) failure to provide accurate and itemized wage statements in violation of section 226(a); (8) failure to keep requisite payroll records in violation of section 1174(d); (9) failure to reimburse business expenses in violation of sections 2800 and 2802; and (10) violations of California Business and Professions Code §§ 17200, *et seq.* The term “Actions” as used herein shall refer to the Class Action and the PAGA Action;

(e) In advance of the September 16, 2024 mediation, the Parties agreed to mediate Plaintiff's PAGA claims only as to Defendant Tawa Retail Group, Inc.

On September 16, 2024, the Parties mediated the PAGA Action with Monique Ngo-Bonnici, Esq. and, with the aid of the mediator's evaluation, the Parties ultimately reached the Settlement described herein to resolve the Action in its entirety;

(e) There has been no determination on the merits of the Actions or the PAGA Notice but, in order to avoid additional cost and the uncertainty of litigation, the Parties desire to resolve the Actions and Released Claims (as defined in Section 10(a) below).

2. **No Admission of Wrongdoing.** The Parties agree that neither this Settlement Agreement nor the furnishing of the consideration for this Settlement Agreement shall be deemed or construed at any time for any purpose as an admission by the Released Parties of wrongdoing or evidence of any liability or unlawful conduct of any kind.

3. **Dismissal of Class Claims.** The Parties agree that Plaintiff's individual class action claims will be dismissed with prejudice and the non-individual class action claims will be dismissed without prejudice following Court approval of the settlement. If this Settlement Agreement is not approved by the Court, it shall be null and void.

4. **Dismissal of Tawa Services, Inc., Tawa Supermarket, Inc., and Tawa Inc. (Retail).** The Parties agree that Plaintiff will request that the Court dismiss Defendants Tawa Services, Inc., Tawa Supermarket, Inc., and Tawa Inc. (Retail) from the PAGA Action without prejudice in Plaintiff's Motion for Approval.

5. **Consideration.**

(a) In consideration for Plaintiff signing this Settlement Agreement and complying with its terms, Defendant shall pay the maximum gross sum of Five Hundred Fifty Thousand Dollars and Zero Cents (\$550,000.00) (the "Total Settlement Amount") to resolve the Action and Released Claims (as defined herein), which will be paid as follows:

(1) Attorneys' fees in the amount of Thirty-Five Percent (35%) of the Total Settlement Amount, which is One Hundred Ninety-Two Thousand Five Hundred Dollars and Zero Cents (\$192,500.00) if the Total Settlement Amount remains \$550,000.00, and reimbursement of litigation costs and expenses in the amount of up to Twenty Thousand Dollars and Zero Cents (\$20,000.00) (collectively, "Attorneys' Fees and Costs") to Plaintiff's Counsel, which Defendant will not contest.

(2) A general release fee of up to the amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) ("General Release Fee") to Plaintiff, which Defendant will not contest.

(3) Costs and expenses of administration of the Settlement up to the amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) ("Settlement Administration Costs") to Simpluris (the "PAGA Settlement Administrator").

(4) The amounts stated in Sections 3(a)(1) – 3(a)(3) above, once approved by the Court, shall be paid from the Total Settlement Amount. The balance remaining after these deductions is referred to as the “Net Settlement Amount.”

(5) Seventy-five percent (75%) of the Net Settlement Amount will be distributed to the LWDA (“LWDA Payment”); and the remaining twenty-five percent (25%) will be distributed to all current and former hourly-paid or non-exempt employees who worked for Defendant in the State of California during the PAGA Period (the “Aggrieved Employees”). The period November 27, 2022 to September 16, 2024 is the “PAGA Period”. The 25% portion of the Net Settlement Amount payable to Aggrieved Employees is referred to as the “Employees’ Portion.”

(b) The Aggrieved Employees are estimated to consist of approximately 1,512 individuals who worked approximately 31,105 Compensable Pay Periods. If the actual number of Compensable Pay Periods during the PAGA Period is more than ten percent (10%) above 31,105, the Total Settlement Amount will be increased by the percentage that the actual number exceeds 34,216 Compensable Pay Periods (i.e., meaning if the pay periods increase by 11% the settlement will increase by 1%).

(c) Because this is a settlement of PAGA claims for civil penalties only, no portion of the Settlement is allocated to unpaid wages. One Hundred Percent (100%) of the payments for Attorneys’ Fees and Costs, General Release Fee, and the Net Settlement Amount to be paid to the LWDA and Aggrieved Employees as described in Section 5(a) above will be treated and reported for tax purposes as non-wage payments and the PAGA Settlement Administrator will be responsible for issuing IRS Forms 1099 as required.

6. **Court Approval is Required.** Plaintiff understands and agrees that the State of California and Aggrieved Employees, including Plaintiff, would not receive the consideration specified in Section 5(a) above, except for Plaintiff’s execution of this Settlement Agreement, and the fulfillment of the promises contained herein, as well as Court approval of the Settlement. If this Settlement Agreement is not approved by the Court, it shall be null and void.

7. **Disbursal of Settlement Funds.**

(a) Subject to Section 6 above, Defendants shall remit to the PAGA Settlement Administrator the sums described more fully in Section 5(a) above, after all of the following has occurred: (i) the Settlement Agreement is fully executed by all Parties and their counsel; (ii) the Court has entered an order approving the Settlement Agreement; and (iii) the Court has dismissed the Class Action and putative class claims, which are not encompassed in this Agreement without prejudice and dismissed Tawa Services, Inc., Tawa Supermarket, Inc., and Tawa Inc. (Retail) as defendants in the Class Action and PAGA Action without prejudice.

(b) Upon complete distribution of the Total Settlement Amount by the PAGA Settlement Administrator in accordance with this Settlement Agreement, the PAGA Settlement Administrator will notify counsel for Tawa Retail Group, Inc. and Plaintiff’s Counsel of distribution of the entire Total Settlement Amount.

8. **Approval and Implementation of the PAGA Settlement.**

(a) The Parties are aware that some courts have approved a PAGA settlement and entered an order approving the settlement and judgment and thereafter closed the case in which the PAGA claim was asserted, while others have approved a PAGA settlement and entered only an order approving the settlement with later instructions to file a request for dismissal of the case in which the PAGA claim was asserted. The Parties agree to cooperate and take any and all steps required by the Court in the Actions to implement the settlement and terminate the Actions in accordance with this Settlement (i.e., to terminate the Actions by way of judgment or dismissal, as appropriate).

(b) The Parties further agree to cooperate in the drafting and/or filing of any further documents and/or filings reasonably necessary to be prepared and/or filed, and to take all steps that may be requested by the Court in order to obtain approval and implementation of this Settlement Agreement, and the payments described in Section 5(a) above.

(c) Court approval of this Settlement Agreement and dismissal of Defendants Tawa Services, Inc., Tawa Supermarket, Inc., and Tawa Inc. (Retail) will be sought by way of an unopposed motion to be filed by Plaintiff's Counsel in the PAGA Action. Dismissal of the Class Action and putative class action claims, without prejudice, shall be sought by way of a Request for Dismissal filed by Plaintiff's Counsel in the Class Action. Plaintiff's Counsel shall provide a draft of documents to be submitted in connection with these court filings, prior to filing with the Court, to Boris Sorsher, Victor T. Xu, and Lauren Roseman of Fisher & Phillips LLP ("Defendant's Counsel") for review; Defendant's Counsel will be given an opportunity to comment on the papers prior to their being filed with the Court, and such comments will be implemented to the extent reasonable.

(d) The Parties expressly acknowledge that the Court's approval of the Settlement Agreement is a condition precedent to any payments described in this Settlement Agreement. Therefore, the Parties further acknowledge that, should the Court not grant approval of this Settlement Agreement and/or should the Court refuse to grant judgment or dismissal of the Actions and close the Actions in accordance with the Settlement, the entirety of this Settlement Agreement shall be null and void.

9. **Payment of Total Settlement Amount / Notice to Recipients.**

(a) Subject to Court approval of this Settlement Agreement, payment of the sums described in Section 5(a) above shall be made by Defendant by transmitting the required sums to a qualified settlement account established by the PAGA Settlement Administrator for administration of this Settlement, within thirty (30) calendar days of: (1) the Court's order granting approval of this Settlement Agreement; and (2) the Court's dismissal of the Class Action and putative class claim, which are not encompassed in this Agreement without prejudice and dismissal of Tawa Services, Inc., Tawa Supermarket, Inc., and Tawa Inc. (Retail) without prejudice. If the date by which payment by Defendant is due falls on a Saturday, Sunday or legal holiday in the State of California, then the due date shall be extended the next following day which is not a Saturday, Sunday or legal holiday in the State of California.

(b) Each Aggrieved Employee will be entitled to a *pro rata* share of 25% of the Net Settlement Amount (i.e., the Employees' Portion) based upon the number of pay

periods they each worked between November 27, 2022 and September 16, 2024 (“Compensable Pay Periods”), based on Defendant’s payroll records and included in the Aggrieved Employee List by Defendant. Specifically, to calculate each Aggrieved Employee’s share of the Employees’ Portion (“Individual Settlement Share”), the PAGA Settlement Administrator shall: (i) for each Aggrieved Employee, divide the number of Compensable Pay Periods he or she individually credited by the total aggregate number of Compensable Pay Periods credited to all Aggrieved Employees, and then (ii) multiply this amount by the Employees’ Portion to arrive at each Aggrieved Employee’s Individual Settlement Share.

(1) One Hundred Percent (100%) of all Individual Settlement Shares are to be considered penalties and the PAGA Settlement Administrator will not undertake any deductions, withholding, or remittances for local, state, or federal taxes. Aggrieved Employees’ Individual Settlement Shares will be reported on an IRS Form 1099, as required by the IRS.

(c) The PAGA Settlement Administrator shall distribute each Individual Settlement Share by way of check, along with a cover letter (“Cover Letter”) agreed to by the Parties and approved by the Court, in substantially the form attached hereto as “Exhibit A”, in the following manner:

(1) No later than fourteen (14) calendar days after the Court’s order granting approval of the Settlement, Defendant shall provide the PAGA Settlement Administrator with a list of all Aggrieved Employees (the “Aggrieved Employees List”), containing the following information for each Aggrieved Employee: (i) first and last name; (ii) last known address; (iii) last known telephone number; (iv) Social Security number; and (v) Compensable Pay Periods.

(2) The PAGA Settlement Administrator shall conduct one (1) National Change of Address (“NCOA”) search for all individuals identified on the Aggrieved Employees List, and update addresses for Aggrieved Employees to the extent updated addresses are located through the NCOA search.

(3) No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the Aggrieved Employees List and Total Settlement Amount, the PAGA Settlement Administrator shall mail the agreed-upon Cover Letter and Individual Settlement Share checks (together, the “PAGA Settlement Package”) to all Aggrieved Employees by first-class United States mail. For each PAGA Settlement Package that is returned undeliverable within thirty (30) calendar days of the initial mailing, the PAGA Settlement Administrator shall promptly attempt to locate an alternate, updated address for the Aggrieved Employee at issue, by using a skip-trace search and shall attempt one (1) re-mailing of the PAGA Settlement Package.

(4) The Individual Settlement Share checks issued to Aggrieved Employees shall remain valid for ninety (90) calendar days, and thereafter, shall be canceled. Funds associated with canceled checks shall be transmitted to the State Controller’s Office Unclaimed Property Division in the name of the Aggrieved Employee(s) at issue and in the amount of his or her respective Individual Settlement Share(s).

(5) The Parties and their counsel shall not bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless

responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

(d) No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the Aggrieved Employees List and Total Settlement Amount, the PAGA Settlement Administrator shall transmit the LWDA Payment to the LWDA.

(e) No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the Aggrieved Employees List and Total Settlement Amount, the PAGA Settlement Administrator shall transmit the Attorneys' Fees and Costs to Plaintiff's Counsel, unless instructed otherwise by Plaintiff's Counsel. At the request of Plaintiff's Counsel, the PAGA Settlement Administrator may purchase annuities, utilize United States Treasuries and bonds, or utilize any other attorney fee deferral vehicles and any additional expenses associated with doing so will be paid separately by Plaintiff's Counsel.

(f) No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the Aggrieved Employees List and Total Settlement Amount, the PAGA Settlement Administrator shall transmit the General Release Fee to Plaintiff.

(g) No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the Aggrieved Employees List and Total Settlement Amount, the PAGA Settlement Administrator shall transmit the Settlement Administration Costs to itself, only after the PAGA Settlement Packages have been mailed to all Aggrieved Employees.

10. **Release of Claims by Plaintiff, Aggrieved Employees, and the State of California.**

(a) Upon the date the Court has entered an order approving the Settlement Agreement in the PAGA Action and full funding of the Total Settlement Amount, and except as to the rights and obligations created by this Settlement Agreement, Plaintiff and the State of California with respect to Aggrieved Employees, will be deemed to have knowingly and voluntarily released and forever discharged Defendant Tawa Retail Group, Inc., including Defendant Tawa Retail Group, Inc.'s parent corporation, affiliates, subsidiaries, divisions, predecessors, insurers, successors and assigns, and their current and former employees, attorneys, officers, directors and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and the trustees, administrators, fiduciaries and insurers of such plans and programs (collectively, the "Released Parties"), to the full extent permitted by law, of and from the Action and from any and all claims, arising during the PAGA Period, for civil penalties under California Labor Code section 2698, *et seq.* ("PAGA") as well as any interest, fees, and costs available under PAGA, based on the factual allegations in the Operative Complaint in the PAGA Action, including but not limited to, the allegations regarding failure to pay minimum, regular, and overtime wages, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to timely pay wages during employment, failure to timely pay wages upon termination, failure to provide compliant and accurate wage statements, failure to maintain complete and accurate payroll records, and failure to reimburse necessary business-related expenses and costs, in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197,

1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 4-2001, and 7-2001 (collectively, the “Released Claims”).

(b) Upon the date the Court has entered an order approving the Settlement Agreement in the PAGA Action and full funding of the Total Settlement Amount, and except as to the rights and obligations created by this Settlement Agreement, Plaintiff, individually and on behalf of his heirs, executors, administrators, representatives, attorneys, successors and assigns, will be deemed to have knowingly and voluntarily released and forever discharged Defendant and Released Parties, to the full extent permitted by law, from any and all claims of every nature whatsoever, known or unknown, suspected or unsuspected, which Plaintiff has or may have as of the date the Court has entered an order approving the Settlement Agreement. This broader release includes, but is not limited to, all claims arising directly or indirectly from Plaintiff’s employment with Defendants and the termination of that employment, including without limitation claims arising under federal, state, or local laws and claims for unpaid wages, penalties, liquidated damages, breach of contract, breach of the implied covenant of good faith and fair dealing, infliction of emotional distress, wrongful or retaliatory discharge, harassment, discrimination, defamation, impairment of economic opportunity, and violations of public policy, the Fair Labor Standards Act, the California Labor Code, the California Fair Employment and Housing Act, the California Business and Professions Code, the California Constitution, the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, and the Americans with Disabilities Act of 1990. With respect to those claims released by Plaintiff in an individual capacity, Plaintiff acknowledges and waives any and all rights and benefits available under California Civil Code Section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Plaintiff understands and agrees that claims or facts in addition to or different from those which are now known or believed by him to exist may hereafter be discovered. It is Plaintiff’s intention to, upon the date the Court has entered an order approving the Settlement Agreement in the PAGA Action and full funding of the Total Settlement Amount, settle fully and release all claims he now has against the Defendant and Released Parties, whether known or unknown, suspected or unsuspected. Notwithstanding the above, the general release by Plaintiff shall not extend to claims for workers’ compensation benefits, claims for unemployment benefits, or other claims that may not be released by law.

11. **Circular 230 Disclaimer.** EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN

THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS OR ITS OWN, INDEPENDENT LEGAL AND TAX ADVISERS FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

12. **Governing Law and Interpretation.**

(a) This Settlement Agreement shall be governed and conformed in accordance with the laws of the State of California. Should any non-material provision of this Settlement Agreement be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable such provision immediately shall become null and void, leaving the remainder of this Settlement Agreement in full force and effect.

(b) In the event of a breach of any provision of this Settlement Agreement, any Party reserves the right to institute an action specifically to enforce any term or terms of this Settlement Agreement or seek damages for breach. In an action to enforce any term or terms of this Settlement Agreement or to seek damages for breach of this Settlement Agreement, the prevailing Party in that action shall be entitled to recover reasonable attorney's fees and costs from the non-prevailing Party.

13. **Amendment.** This Settlement Agreement may not be modified, altered or changed except in writing and signed by both Parties' counsel, wherein specific reference is made to this Settlement Agreement, subject to approval by the Court.

14. **Miscellaneous.**

(a) The Parties agree to stay all proceedings in the Action, including with respect to California Code of Civil Procedure section 583.310, except such proceedings necessary to implement and complete the Settlement, pending approval of the Settlement.

(b) This Settlement Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which, taken together shall constitute the same instrument. A signature made on a faxed or electronically transmitted copy of the Settlement Agreement or a signature transmitted by facsimile or electronic mail shall have the same effect as the original signature.

(c) The section headings used in this Settlement Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify or otherwise be used in the interpretation of any of the provisions hereof.

(d) This Settlement Agreement was the result of negotiations between the Parties and their respective counsel under the auspices of mediator Monique Ngo-Bonnici, Esq.. In the event of vagueness, ambiguity or uncertainty, this Settlement Agreement shall not be construed against the Party preparing it but shall be construed as if both Parties prepared it jointly, and the Parties may present their disputes to the mediator to resolve any vagueness, ambiguity, or uncertainty.

(e) If Plaintiff or Defendants fail to enforce this Settlement Agreement or to insist on performance of any term, that failure does not mean a waiver of that term or of the Settlement Agreement. The Settlement Agreement remains in full force and effect anyway.

HAVING ELECTED TO EXECUTE THIS SETTLEMENT AGREEMENT, TO FULFILL THE PROMISES, AND TO RECEIVE THE CONSIDERATION SET FORTH ABOVE, PLAINTIFF AND DEFENDANT, FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS SETTLEMENT AGREEMENT.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date set forth below:

Date: 01/03/2025, 2024

Electronically Signed 2025-01-03 22:33:10 UTC - 172.58.211.56
Nintex AssureSign® 3532faaf-8690-44b6-9b69-b25fa01345600

Bryan Diaz
Individually and On Behalf of
the State of California with Respect to Aggrieved
Employees

TAWA RETAIL GROUP, INC.

Date: _____, 2024

Name: _____
Title: _____

Approved as to form and content.

LAWYERS *FOR* JUSTICE, PC

Date: January 3rd, 2025



Arby Aiwanian
Joanna Ghosh
Melissa LeBlanc-Mansell
Attorneys for Plaintiff Bryan Diaz

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND RELEASE

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(e) If Plaintiff or Defendants fail to enforce this Settlement Agreement or to insist on performance of any term, that failure does not mean a waiver of that term or of the Settlement Agreement. The Settlement Agreement remains in full force and effect anyway.

HAVING ELECTED TO EXECUTE THIS SETTLEMENT AGREEMENT, TO FULFILL THE PROMISES, AND TO RECEIVE THE CONSIDERATION SET FORTH ABOVE, PLAINTIFF AND DEFENDANT, FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS SETTLEMENT AGREEMENT.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date set forth below:

Date: _____, 2024

Bryan Diaz
Individually and On Behalf of
the State of California with Respect to Aggrieved
Employees

TAWA RETAIL GROUP, INC.



Date: January 13, 2025, 2024-

Name: Adrienne Lee
Title: General Counsel

Approved as to form and content.

LAWYERS FOR JUSTICE, PC

Date: _____, 2024

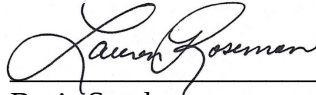
Arby Aiwazian
Joanna Ghosh
Melissa LeBlanc-Mansell
Attorneys for Plaintiff Bryan Diaz

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND RELEASE

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FISHER & PHILLIPS LLP

Date: 1/23/2025

A handwritten signature in cursive script, appearing to read "Lauren Roseman", is positioned above a horizontal line.

Boris Sorsher

Victor T. Xu

Lauren Roseman

Attorneys for Defendants Tawa Retail Group, Inc.,
Tawa Services, Inc., Tawa Supermarket, Inc., and
Tawa, Inc. (Retail)

Exhibit A

<<Mailing Date>>

To: <<First Name>><<Last Name>>
<<Street Address>>
<<City>> <<State>> <<Zip>>

Re: Settlement Payment from *Bryan Diaz v. Tawa Retail Group, Inc., et al.*, Los Angeles Superior Court Case No. 24TRCV00332

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of <<amount of payment>> (“Individual Settlement Share”). This check is your payment from the settlement in the lawsuit entitled *Bryan Diaz v. Tawa Retail Group, Inc., et al.*, Los Angeles Superior Court Case No. 24TRCV00332 (“Action”).

The lawsuit was filed on January 31, 2024 by Bryan Diaz (“Plaintiff”) against his former employer, on behalf of the State of California, with respect to himself and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”), for multiple alleged violations of the California Labor Code and Industrial Welfare Commission Wage Orders, including, *inter alia*, for failure to properly pay minimum and overtime wages, failure to provide compliant meal and rest periods and associated premiums, failure to pay wages during employment and upon termination, failure to provide compliant wage statements, failure to maintain requisite payroll records, and failure to reimburse business expenses. Prior to filing the lawsuit, on November 27, 2023, Plaintiff submitted a letter to the California Labor and Workforce Development Agency (“LWDA”), pursuant to PAGA, to provide notice of his intent to seek civil penalties under PAGA for Defendants’ alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Order Nos. 4-2001 and 7-2001, thereby initiating LWDA Case Number LWDA-CM-996244-23 (the “PAGA Notice”).

Defendant denies all of Plaintiff’s allegations and denies any wrongdoing of any kind associated with Plaintiff’s allegations.

A settlement was reached between Plaintiff and Defendant Tawa Retail Group, Inc. (“Defendant”).

On <<Date>>, the settlement was approved by the Court, with a portion to be paid to the LWDA and a portion to be paid to all current and former hourly-paid or non-exempt employees who worked for Defendant in the State of California during the period November 27, 2022 to September 16, 2024 (“Aggrieved Employees”). The period November 27, 2022 to September 16, 2024 is the “PAGA Period”.

You are receiving a portion of the settlement (the enclosed Individual Settlement Share) because you have been identified as an Aggrieved Employee. Your Individual Settlement Share is based on the total number of pay periods that you worked for Defendant in California during the PAGA Period. The Individual Settlement Share is considered to be 100% penalties, which will be reported on an IRS Form 1099. You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

Under the settlement, upon the Court’s entry of the order approving the Settlement Agreement in the PAGA Action on <<date of entry of order by the Court approving the Settlement>> and full funding of the Total Settlement Amount by Defendant on <<date of full funding>>, Plaintiff and the State of California with respect to you and other Aggrieved Employees, were deemed to have knowingly and voluntarily released and forever discharged Defendant and the Released Parties, to the full extent permitted by law, of and from, the PAGA Action any and all Released Claims.

“Released Parties” means Defendant Tawa Retail Group, Inc., including Defendant’s parent corporation, affiliates, subsidiaries, divisions, predecessors, insurers, successors and assigns, and their current and former employees, attorneys, officers, directors and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and the trustees, administrators, fiduciaries and insurers of such plans and programs.

“Released Claims” means any and all claims, arising during the PAGA Period, for civil penalties under California Labor Code section 2698, *et seq.* (“PAGA”) as well as any interest, fees, and costs available under PAGA, based on the factual allegations in the Operative Complaint in the PAGA Action, including but not limited to, the allegations regarding failure to pay minimum, regular, and overtime wages, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to timely pay wages during employment, failure to timely pay wages upon termination, failure to provide compliant and accurate wage statements, failure to maintain complete and accurate payroll records, and failure to reimburse necessary business-related expenses and costs, in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage

EXHIBIT A – COVER LETTER

Orders, including *inter alia*, Wage Orders 4-2001 and 7-2001.

The enclosed check is valid for 90 days from the original date of issuance and mailing, and if it is not cashed, deposited, or otherwise negotiated within the 90-day timeframe, it will be canceled, and the funds associated with the canceled check will be transmitted to the State Controller's Office Unclaimed Property Division in your name and in the amount of your respective Individual Settlement Share.

Do not call or write the Court, Office of the Clerk of the Court, Defendant, or Defendant's counsel to ask questions about the settlement or to ask tax-related questions. If you have any such questions, you may contact **[PAGA Settlement Administrator]** at **[toll-free phone number]**.

EXHIBIT 3



Deven Launchbaugh <deven@calljustice.com>

Thank you for your Proposed Settlement Submission

1 message

DIR PAGA Unit <no-reply@formassembly.com>
To: deven@calljustice.com

Fri, Feb 28, 2025 at 12:42 PM

02/28/2025 12:42:04 PM

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

Item submitted: Proposed Settlement

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

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

EXHIBIT 4

LAWYERS for JUSTICE PC CASE COST DETAIL
Diaz vs. Tawa Retail Group Inc., et al. (PAGA)

<u>Date</u>	<u>Payee</u>	<u>Expense Description</u>	<u>Amount</u>
11/27/2023	U.S. Postmaster	Postage	\$8.53
11/27/2023	Labor & Workforce Development Agency	PAGA Filing Fee	\$75.00
2/5/2024	Legal Document Server, Inc.	Attorney Service	\$46.38
2/5/2024	Los Angeles Superior Court	Complaint Filing Fee	\$435.00
2/12/2024	ProLegal	Attorney Service	\$415.95
3/21/2024	Legal Document Server, Inc.	Attorney Service	\$16.15
4/10/2024	Orange County Superior Court	Document Download Fee	\$16.47
7/25/2024	Legal Document Server, Inc.	Attorney Service	\$16.15
8/12/2024	Signature Resolution LLC	Mediation Fee	\$8,995.00
9/19/2024	CPAnalytics	Data Analysis of Sampling of Time Records	\$2,155.00
9/27/2024	Legal Document Server, Inc.	Attorney Service	<u>\$16.15</u>
		Total:	\$12,195.78

LAWYERS for JUSTICE PC CASE COST DETAIL
Diaz vs. Tawa Retail Group Inc., et al.

<u>Date</u>	<u>Payee</u>	<u>Expense Description</u>	<u>Amount</u>
10/4/2023	U.S. Postmaster	Postage	\$8.56
12/1/2023	Legal Document Server, Inc.	Attorney Service	\$115.88
12/1/2023	Los Angeles Superior Court	Complex Filing Fee	\$1,000.00
12/1/2023	Los Angeles Superior Court	Complaint Filing Fee	\$435.00
1/8/2024	ProLegal	Attorney Service	\$600.55
1/19/2024	Legal Document Server, Inc.	Attorney Service	\$16.15
2/13/2024	Legal Document Server, Inc.	Attorney Service	\$42.73
2/13/2024	Los Angeles Superior Court	Jury Fee	\$150.00
2/22/2024	Legal Document Server, Inc.	Attorney Service	\$16.15
2/27/2024	Legal Document Server, Inc.	Attorney Service	\$16.15
3/15/2024	Legal Document Server, Inc.	Attorney Service	\$16.15
3/25/2024	Legal Document Server, Inc.	Attorney Service	\$16.15
4/15/2024	Orange County Superior Court	Document Download Fee	\$7.50
5/5/2024	Case Anywhere LLC	Attorney Service	\$102.90
5/10/2024	Legal Document Server, Inc.	Attorney Service	\$16.15
8/1/2024	Case Anywhere LLC	Attorney Service	\$153.00
10/11/2024	Legal Document Server, Inc.	Attorney Service	\$16.15
11/1/2024	Legal Document Server, Inc.	Attorney Service	\$53.10
11/4/2024	Case Anywhere LLC	Attorney Service	\$147.00
11/12/2024	Legal Document Server, Inc.	Attorney Service	\$17.70
Total:			<u>\$2,946.97</u>