

Karen I. Gold (State Bar No. 258360)
kgold@blackstonepc.com
Marissa A. Mayhood (State Bar No. 334376)
mmayhood@blackstonepc.com
BLACKSTONE LAW, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

Attorneys for Plaintiffs Tyler Krug and Francisco Balbuena

[Additional counsel listed on next page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF KERN

TYLER KRUG & FERNANDO JARAMILLO,
individually, and on behalf of those similarly
situated and members of the general public; and
FRANCISCO BALBUENA, individually, and
on behalf of those similarly situated,

Plaintiffs,

vs.

EKC ENTERPRISES, INC., a California
Corporation; and DOES 1 through 25, inclusive,

Defendants.

Case No.: BCV-23-103975

Honorable Bernard C. Barmann
Division H

**DECLARATION OF KAREN I. GOLD IN
SUPPORT OF PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: July 7, 2025
Time: 8:30 a.m.
Division: H
Address: 1215 Truxton Ave.
Bakersfield, CA 93301

Complaint Filed: November 28, 2023
FAC Filed: January 18, 2024
SAC Filed: February 20, 2025
Trial Date: Not Set

BOKHOUR LAW GROUP, P.C.

Mehrdad Bokhour, Esq. (Cal. Bar No. 285256)

mehrdad@bokhourlaw.com

1901 Avenue of the Stars, Suite 920

Los Angeles, California 90067

Tel: (310) 975-1493 / Fax: (310) 675-0861

FALAKASSA LAW, P.C.

Joshua S. Falakassa

josh@falakassalaw.com

1901 Avenue of the Stars, Suite 920

Los Angeles, California 90067

Tel: (818) 456-6168 / Fax: (888) 505-0868

Attorneys for Plaintiff Fernando Jaramillo

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I, Karen I. Gold, declare and state as follows:

1. I am an attorney duly licensed to practice law in all Courts of the State of California. I am a Senior Trial Attorney and Team Lead at Blackstone Law, APC, attorneys of record for Plaintiffs Tyler Krug (“Plaintiff Krug”) and Francisco Balbuena (“Plaintiff Balbuena”). I have personal knowledge of the facts contained herein, and, if called to testify, I could and would competently do so.

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1 motions and pleadings, including dispositive and certification motions; strategized on all cases;
2 attended all hearings; attended all mediations; coordinated with class action administrators; prepared
3 and worked with experts; first and second chaired multiple trials and arbitrations; and engaged in all
4 other intricate facets of litigation. During that time, he represented a wide range of clients from sole
5 proprietorships to Fortune 500 companies in state, federal, complex, and appellate courts. Many of
6 the cases he managed were highly publicized, with articles written about them in the Los Angeles
7 Times, Deadline, The Hollywood Reporter, Business Insider, Law360, and others. Super Lawyers has
8 regularly honored him as a Southern California Rising Star since 2012.

9 4. I graduated *cum laude* from UCLA in 2005 with a Bachelor of Science degree in
10 Cognitive Science and a Specialization in Computing. I received my law degree from Boston
11 University School of Law and was admitted to the California State Bar in 2008. Upon graduation, I
12 joined Cox Castle & Nicholson, LLP, and worked there for approximately a decade as a general
13 litigation attorney focused primarily on high-stakes sophisticated cases including class action defense
14 matters. Thereafter, I spent approximately five years working for Marlin & Saltzman, LLP, which is
15 a well-known plaintiff-side wage and hour law firm in Los Angeles, before transitioning over to
16 Blackstone Law, APC as a Senior Trial Attorney and Team Lead. Throughout my career, I have
17 managed over one hundred complex litigation cases, ranging from employment matters to corporate
18 and general business litigation matters. On many of those cases, I was the only or primary attorney
19 managing the case and thus obtained extensive experience overseeing these types of actions. In that
20 capacity, I was the primary contact for clients; took and defended many depositions; propounded and
21 responded to discovery; prepared and opposed motions and pleadings, including dispositive and
22 certification motions; strategized on all cases; attended hearings; attended mediations; coordinated
23 with class action administrators; prepared and worked with experts; participated in trial prep and trials;
24 and engaged in all other intricate facets of litigation. Super Lawyers honored me as a Southern
25 California Rising Star from 2015 through 2018. As the Senior Trial Attorney and Team Lead, I
26 oversee and handle over 100 wage-and-hour putative class actions and/or representative actions under
27 PAGA seeking relief on behalf of California employees. I have considerable experience in handling
28 class and representative action lawsuits throughout my career and have been approved as counsel in a

1 number of cases.

2 5. Marissa Mayhood is a Senior Associate Attorney at Blackstone Law, APC. She
3 graduated from Pepperdine University School of Law with a Juris Doctorate and a certificate in dispute
4 resolution from Pepperdine's Straus Institute. Ms. Mayhood spent approximately five years working
5 for Marlin & Saltzman, LLP, which is a well-known plaintiff-side wage and hour law firm in Los
6 Angeles. While working for Marlin & Saltzman, LLP, she litigated and helped settle a \$72.5 million
7 case, *Utne v. Home Depot U.S.A., Inc.*, United States District Court for the Northern District of
8 California, Case No. 3:16-cv-01854-RS, and was approved as class counsel.

9 6. Blackstone Law, APC has been counsel of record on several class action and PAGA
10 actions that have since been resolved, the most recent of which are attached hereto as **Exhibit 1**.

11 **Procedural History**

12 7. On September 25, 2023, Plaintiff Fernando Jaramillo ("Plaintiff Jaramillo") provided
13 written notice to the California Labor and Workforce Development Agency ("LWDA") and to
14 Defendant EKC Enterprises, Inc. ("Defendant"), pursuant to California Labor Code Section 2699.3,
15 of the specific provisions of the California Labor Code alleged to have been violated by Defendant
16 ("Jaramillo PAGA Letter"). A true and correct copy of the Jaramillo PAGA Letter is attached hereto
17 as **Exhibit 2**.

18 8. On November 14, 2023, Plaintiff Jaramillo filed a Class Action Complaint in the action
19 entitled *Fernando Jaramillo v. EKC Enterprises, Inc., et al.*, Fresno County Superior Court Case No.
20 23CECG04736 ("Jaramillo Action"), thereby commencing a putative class action against Defendant.
21 The complaint alleged nine (9) causes of action for violations of the California Labor Code for failure
22 to pay minimum and overtime wages, failure to provide compliant meal periods, failure to provide
23 compliant rest periods, failure to timely pay wages during employment, failure to provide compliant
24 wage statements, failure to timely pay wages upon termination, failure to reimburse necessary business
25 expenses, and for violations of California Business & Professions Code Section 17200, *et seq.* based
26 on the aforementioned California Labor Code violations.

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1 9. On November 15, 2023, Plaintiff Krug provided written notice to the LWDA, pursuant
2 to California Labor Code Section 2699.3, of the specific provisions of the California Labor Code
3 alleged to have been violated by Defendant (“Krug PAGA Letter”) (together, the Krug PAGA Letter
4 and Jaramillo PAGA Letter are referred to as the “PAGA Letters”). A true and correct copy of the
5 Krug PAGA Letter is attached hereto as **Exhibit 3**.

6 10. On November 28, 2023, Plaintiff Krug and Plaintiff Balbuena filed a Class Action
7 Complaint for Damages in the action entitled *Tyler Krug, et al. v. EKC Enterprises, Inc.*, Kern County
8 Superior Court Case No. BCV-23-103975 (“Action”), thereby commencing a putative class action
9 against Defendant.

10 11. On January 18, 2024, Plaintiff Krug and Plaintiff Balbuena filed a First Amended Class
11 and Representative Action Complaint in the Action, which added a cause of action under PAGA.

12 12. On October 15, 2024, Plaintiff Krug, Plaintiff Jaramillo, Plaintiff Balbuena
13 (collectively, “Plaintiffs”) and Defendant (collectively, with Plaintiffs, the “Parties”) participated in a
14 formal mediation conducted by Tripper Ortman, Esq. (“Mediator”), a neutral and respected mediator
15 with extensive experience in complex wage and hour matters, which did not result in a settlement at
16 that time.

17 13. On October 17, 2024, Plaintiff Krug and Plaintiff Balbuena propounded written formal
18 discovery onto Defendant (specifically, Special Interrogatories (Set One)), and served a proposed
19 Belaire-West notice.

20 14. On November 12, 2024, after continued negotiations and with the help of the Mediator,
21 the Parties were able to reach an agreement to resolve this dispute on a class and PAGA basis.

22 15. On February 20, 2025, Plaintiffs filed a Second Amended Class and Representative
23 Action Complaint (“Operative Complaint”), which added Plaintiff Jaramillo as a named plaintiff to
24 the Action. The Operative Complaint alleges ten (10) causes of action for violations of the California
25 Labor Code for failure to pay minimum wages, failure to pay overtime wages, failure to provide
26 compliant meal periods and premium payments in lieu thereof, failure to provide compliant rest
27 periods and premiums payments in lieu thereof, failure to timely pay wages during employment,
28 failure to provide compliant wage statements, failure to timely pay wages upon termination, and failure

1 to reimburse necessary business expenses, for violations of California Business & Professions Code
2 Section 17200, *et seq.* based on the aforementioned California Labor Code violations, and for civil
3 penalties under PAGA based on the aforementioned California Labor Code violations.

4 16. On May 5, 2025, pursuant to Plaintiff Jaramillo's request, the court dismissed the
5 Jaramillo Action without prejudice.

6 17. On March 3, 2025, the Parties executed the Joint Stipulation of Class Action and PAGA
7 Settlement ("Settlement" or "Settlement Agreement"). A true and correct copy of the Settlement
8 Agreement is attached hereto as **Exhibit 4**.

9 **Summary of the Terms of the Settlement Agreement**

10 18. For purposes of settlement only, the Parties have agreed that the Class shall be defined
11 as "all current and former hourly-paid or non-exempt employees who worked for Defendant within
12 the State of California at any time during the Class Period" ("Class" or "Class Member(s)"). The
13 Class Period is defined as the period from November 28, 2019, until the date of the Court's order
14 granting preliminary approval of the Settlement Agreement, subject to Paragraph 19 of the Settlement
15 Agreement. Based on information provided by Defendant, as of October 15, 2024 (i.e., the date of
16 mediation), it is estimated that there are a total of six hundred and twelve (612) Class Members.

17 19. The Parties have agreed to settle the class and PAGA claims at issue in the Operative
18 Complaint for a non-reversionary Gross Settlement Amount of One Million Five Hundred Thousand
19 Dollars and Zero Cents (\$1,500,000.00), exclusive of employer-side payroll taxes. The Gross
20 Settlement Amount is a common fund and therefore includes all requested costs, fees, and other
21 allocations. The Gross Settlement Amount includes: (1) Class Counsel's fees in the amount of thirty-
22 five percent (35%) of the Gross Settlement Amount (i.e., \$525,000.00 if the Gross Settlement Amount
23 is \$1,500,000.00); (2) Class Counsel's actual litigation costs and expenses, not to exceed Thirty-Three
24 Thousand Dollars and Zero Cents (\$33,000.00); (3) Settlement Administration Costs not to exceed
25 Fourteen Thousand Dollars and Zero Cents (\$14,000.00); (4) Enhancement Payments to Plaintiffs in
26 the aggregate amount of Twenty-Two Thousand Five Hundred Dollars and Zero Cents (\$22,500.00);
27 and (5) PAGA Amount in the amount of One Hundred Thousand Dollars and Zero Cents
28 (\$100,000.00). After the above-estimated amounts are deducted from the Gross Settlement Amount,

1 the Net Settlement Amount that will be available for Class Members is currently estimated to be Eight
2 Hundred Five Thousand Five Hundred Dollars and Zero Cents (\$805,500.00). Additionally, 25% of
3 the PAGA Amount (“PAGA Employee Amount”), which is \$25,000.00 out of \$100,000.00, will be
4 fully distributed to “all current and former hourly-paid or non-exempt employees who worked for
5 Defendant within the State of California at any time during the PAGA Period” (“PAGA
6 Employee(s)”). The “PAGA Period” is defined as the period from September 25, 2022, until the date
7 of the Court’s order granting preliminary approval of the Settlement Agreement.

8 20. Based on information from Defendant, it is estimated that the Class Members worked
9 a total of 47,245 weeks for Defendant as hourly-paid or non-exempt employees in California during
10 the Class Period (“Workweeks”). If it is determined by the Settlement Administrator that the total
11 number of Workweeks worked by the Class Members during the Class Period actually exceeds 47,245
12 by more than 10% (i.e., by more than 51,969 Workweeks), then Defendant shall have the exclusive
13 right to either choose to: (1) cut off the end date for the Class Period as of the date on which the number
14 of Workweeks reaches 51,969, or (2) increase the Gross Settlement Amount on a proportional basis
15 equal to the percentage increase in number of Workweeks worked by the Class Members above the
16 10% (i.e., if there is an 11% increase in the number Workweeks during the Class Period, Defendant
17 would agree to increase the Gross Settlement Amount by 1%).

18 21. The Net Settlement Amount will be distributed and paid to all Class Members who do
19 not submit a timely and valid Request for Exclusion (“Settlement Class Members”) on a *pro rata* basis
20 based on their number of Workweeks. The *pro rata* share of the Net Settlement Amount that a Class
21 Member may be eligible to receive under the Class Settlement (“Individual Settlement Share”) will be
22 calculated by the Settlement Administrator, in accordance with the Settlement Agreement.

23 22. The PAGA Employee Amount will be distributed and paid to all PAGA Employees on
24 a *pro rata* basis based on their number of pay periods each PAGA Employee worked for Defendant
25 as an hourly-paid or non-exempt employee in California during the PAGA Period (“PAGA Pay
26 Periods”). The *pro rata* share of the PAGA Employee Amount that a PAGA Employee may be eligible
27 to receive under the PAGA Settlement (“Individual PAGA Payment”) will be calculated by the
28 Settlement Administrator, in accordance with the Settlement Agreement.

23. Each Individual Settlement Share will be allocated as ten percent (10%) wages and ninety percent (90%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The Settlement Administrator will withhold the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their net payment of their Individual Settlement Share ("Individual Settlement Payment"). The employer's share of taxes and contributions will be paid separately and in addition to the Gross Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

24. The Settlement Agreement is a non-reversionary and non-claims made settlement. The Net Settlement Amount will be fully distributed to Settlement Class Members and the PAGA Amount will be fully distributed to the LWDA and PAGA Employees, in accordance with the Settlement Agreement. No money will revert to Defendant.

25. Each Individual Settlement Payment and Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180) calendar days from the date the checks are issued, and thereafter, shall be canceled. Any funds associated with such canceled checks will be distributed by the Settlement Administrator to the State of California's Unclaimed Property Fund in the name of the Settlement Class Member and/or PAGA Employee.

The Settlement is Reasonable

Informed Arms-Length Negotiations

26. The Parties' settlement negotiations were at all times made at arm's-length and were adversarial. The Settlement was reached following additional negotiations after a full day of mediation with a highly respected mediator with substantial experience mediating wage and hour cases, and Plaintiffs engaged in additional negotiations to finalize the long-form agreement presently before the Court.

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1 27. The Parties engaged in extensive informal discovery prior to reaching a settlement.
2 Prior to mediation, Defendant produced a random sampling of putative class members' time records
3 and pay data, as well as Defendant's relevant wage and hour policies, employee handbook, collective
4 bargaining agreements, and information to determine the total number of putative class members, the
5 number of current versus former employees, and the total workweeks worked by the putative class
6 members.

7 28. This allowed Class Counsel to conduct an informed assessment and analysis of the
8 strengths and weaknesses of the claims and the potential class-wide damages.

9 29. Based on the information exchanged, the Parties extensively researched, evaluated, and
10 briefed issues regarding class certification and liability and provided their analyses to the Mediator
11 who helped the Parties debate the strengths and weakness of their respective positions.

12 ***Estimate of Potential Value of Claims***

13 30. Class Counsel analyzed all available data and estimated Defendant's maximum
14 potential exposure to be approximately \$16,514,300, assuming the litigation was successful at trial on
15 all claims at issue and every employee had a violation for each claim on every shift worked. This
16 maximum potential analysis was then reduced based on the challenges facing the likelihood of
17 obtaining class certification, prevailing at trial, and other attendant risks. This estimate is based off an
18 estimated maximum liability for all claims at issue and the total aggregate workweeks during the
19 relevant time period, less interest, and based on the analysis of the data which was extrapolated out
20 for all class members across the entire putative class period, which included: \$1,948,179 for meal
21 period violations; \$6,954,602 for rest period violations at a 100% violation rate; \$1,546,866 for unpaid
22 off-the-clock work for 1 hour per workweek of off-the-clock work; \$1,356,090 for unreimbursed
23 business expenses; \$3,020,563 for waiting time penalties; and \$1,688,000 for wage statement
24 penalties. Plaintiffs further estimated that Defendant faced an additional exposure of \$2,618,000 in
25 potential, non-stacked (i.e., one penalty, per employee, per pay period during the PAGA statutory
26 period) PAGA penalties. Together with the PAGA penalties, Defendant's maximum potential
27 exposure totaled \$19,132,300 in damages.

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Specific Risks Considered

31. Although the investigation and information discovered supports Plaintiffs' contentions, Defendant raised potential defenses and other circumstances that impacted the risk of proceeding on a class-wide basis. Consideration of these risks factored into the negotiations and the decision to enter the Settlement.

32. Class Counsel are aware of Defendant's defenses and arguments and have also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation, including those involved in class and/or representative adjudication. Plaintiffs further recognize the burdens of proof necessary to establish liability for the claims asserted in the Action, Defendant's defenses, and the difficulties in establishing entitlement to monetary recovery. Plaintiffs have also considered the Parties' settlement discussions, as well as the evaluations of the Mediator, who is experienced and well-regarded in complex labor and employment matters.

33. Defendant denied and continues to deny any liability and wrongdoing of any kind associated with the claims alleged in the Action, and further denies that class certification is appropriate for any purpose other than the Settlement. Defendant believes that it would ultimately prevail in the Action. Defendant proffered defenses to both certification and to the merits of Plaintiffs' claims. Defendant contended that Plaintiffs' claims are not suitable for class certification because individual issues would predominate should this case go to trial. As with all class actions, these complex cases raise difficult management and proof issues and, accordingly, there is a significant risk that the Court may deny class certification.

34. For example, Plaintiffs' meal period claims, which were based on Defendant's alleged failure to provide lawful meal periods, have been increasingly difficult to certify in recent years. Plaintiffs' theory of liability for meal period violations was based on allegations that Defendant had failed to implement its policies and that its practices failed to allow Class Members to take meal breaks in the manner required under California law. Defendant contended that its policies and practices at all times during the Class Period were lawful. Indeed, Plaintiffs' analysis revealed only a 30.4% violation rate for purported unique meal period violations. Defendant further argued that the rate of purported meal period violations reflected in the data would require individualized inquiry and that such inquiry

1 would prohibit a class from being certified. We also had to consider the risk that the Court would find
2 validity in the individualized proof defense to certification of Plaintiffs' meal period claim.

3 35. Additionally, a large portion of Defendant's overall liability lies in Plaintiffs' rest
4 period allegations. As with the meal period allegations, Defendant contended that it had a lawful
5 written rest period policy, provided compliant rest breaks, and relieved Class Members of all duties as
6 required under California law. Additionally, this claim was even more uncertain given the difficulties
7 associated with proving the alleged rest period violations, as Defendant was not required to record
8 these breaks. Given the lack of records demonstrating rest period violations, there were legitimate
9 concerns Plaintiffs would not be able to certify these claims or prove substantial damages with
10 requisite certainty, which made the estimated value of this claim subject to much challenge.

11 36. Plaintiffs also faced challenges certifying and proving liability for their minimum wage
12 and overtime claims. These claims were largely based on Defendant's unrecorded, off-the-clock work
13 performed by the Class Members both before and after their shifts and during purported meal periods.
14 However, the individualized nature of why this work was performed and the individualized nature of
15 damages presented substantial concerns regarding the manageability of the case and the risk the Court
16 could find these issues prevented certification, and the estimated damages for this claim were based
17 on an assumption that all Class Members worked off the clock for at least one hour per week.

18 37. Plaintiffs also contended that Defendant failed to reimburse Plaintiffs and the other
19 Class Members for necessary business-related expenses, such as the usage of personal vehicles and
20 usage of personal cell phones for work-related purposes. Defendant contended that it had a policy and
21 practice of reimbursing employees for necessary business-related expenses. Defendant further
22 contended that, with respect to the alleged expenses for which Plaintiffs and the other Class Members
23 never requested reimbursement from Defendant, it did not know and had no reason to know that
24 alleged business-related expenses had been incurred. Defendant further contended that the reason for
25 why a Class Member undertook certain expenses, while not others, and failed to receive
26 reimbursement for certain expenses while not others, would raise individual issues that could not be
27 certified.

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1 38. There are also substantial risks associated with Plaintiffs' waiting time penalties and
2 wage statement claims. First, these claims were derivative of Plaintiffs' claims for unpaid meal period
3 premiums, unpaid rest period premiums, unpaid minimum wages, and unpaid overtime wages, and if
4 certification was denied on those underlying claims, these derivative claims for penalties would also
5 likely fail. Further, even if Plaintiffs prevailed on their underlying claims, they would still be required
6 to demonstrate that Defendant's violations of California Labor Code section 203 were *willful*
7 violations. Wage statement claims have also seen varying treatment at the appellate level because
8 such claims have an element of discretion attached to them rather than a pure calculation of damages
9 after liability is proven. Accordingly, these derivative claims, which comprised a substantial portion
10 of Defendant's estimated liability, were therefore uncertain.

11 39. Class Counsel also recognized that, even if Plaintiffs prevailed at class certification,
12 proving the amount of wages due to each Class Member would be an expensive, time-consuming, and
13 extremely uncertain proposition. In order to prove liability and damages, Class Counsel will need to
14 request and analyze thousands of pages of documents, obtain the Class Members' contact information,
15 contact them, and obtain declarations at great expense. Obtaining the cooperation of current
16 employees would also be difficult, given the likely reluctance to aid prosecution of a lawsuit against a
17 current employer. On the other hand, Defendant would likely be able to obtain the cooperation of its
18 employees. Moreover, even if Plaintiffs prevailed at class certification and trial, possible appeals
19 would substantially delay any recovery by the Class.

20 40. Therefore, taking into account how each of the above risks potentially effected
21 Plaintiffs' ability to first obtain class certification, and then prove the underlying violations, plus the
22 cost and delay in recovering the alleged potential damages, Class Counsel discounted Defendant's
23 estimated liability based on the challenges facing their ability to succeed on class certification by 70%
24 to \$5,739,690. The merits-based risk factors further reduced Defendant's estimated liability by an
25 additional 70%. This resulted in an adjusted estimated liability of \$1,721,907. In light thereof, the
26 settlement amount of \$1,500,000 is a significant settlement.

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1 41. Class Counsel also separately contemplated the risks of proceeding with the PAGA
2 claims and potential liability Defendant could face from these claims as part of the global resolution.
3 Existing case law makes PAGA claims subject to the same defenses and risks as Plaintiffs' underlying
4 wage claims. Class Counsel also anticipated that even if successful on the merits at trial, the
5 imposition of cumulative civil penalties based on the alleged wage and hour violations could be
6 considered unjust, arbitrary and oppressive, or confiscatory, and that Defendant would argue that it
7 made a good faith attempt to comply with its legal obligations warranting a reduction in penalties.
8 Class Counsel also anticipated Defendant would argue that the violations per pay period were low,
9 warranting an additional reduction in civil penalties. Finally, we were also mindful of the fact that
10 PAGA is fundamentally not intended to be compensatory in nature but is instead intended to facilitate
11 enforcement of California's labor laws by financing state activities and educating and deterring non-
12 compliance.

13 42. Therefore, after considering this multitude of factors, we concluded that it was in the
14 best interest of the State of California and the PAGA Employees to enter into the Settlement, and to
15 allocate One Hundred Thousand Dollars and Zero Cents (\$100,000.00) of the Gross Settlement
16 Amount towards the PAGA claims, which represents approximately 6.66% of the Gross Settlement
17 Amount. This percentage of the settlement is well-within the range of wage and hour settlements
18 regularly approved in both state and federal court for cases that include both a class and PAGA action.
19 Typically, such hybrid cases allocate only 1% of the gross settlement value to resolve PAGA claims,
20 and, indeed, settlements allocations as little as 0.22% of the gross settlement amount have been
21 approved as reasonable by courts. Moreover, the overall relief obtained by the Settlement is
22 significant, not only from a monetary perspective, but also because it fulfills the public policy
23 objectives of PAGA—to promote enforcement of California's labor laws, provide funds to the state,
24 and deter future non-compliance by the employer.

25 43. Class Counsel therefore submits that the Settlement is fair, reasonable, and adequate.
26 The Settlement is in the best interest of the Class Members, the PAGA Employees, and the State of
27 California and is within the accepted range of recoveries for this type of litigation given the inherent
28 risk of litigation, the risk of obtaining and maintaining class certification, and the costs of further

1 litigation.

2 ***Enhancement Payments***

3 44. As part of the Settlement Agreement, Plaintiffs are requesting reasonable Enhancement
4 Payments of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) each (total,
5 \$22,500.00). These Enhancement Payments are reasonable given the time and effort Plaintiffs spent
6 on this matter, and the benefit to the Class Members as a result of Plaintiffs' actions. Notice of the
7 requested Enhancement Payments is disclosed to the Class Members in the Class Notice.

8 ***Attorneys' Fees and Costs***

9 45. The attorneys' fees incurred by Class Counsel are in line with the common fund
10 requested. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees in an
11 amount of up to thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$525,00.00 if the
12 Gross Settlement Amount is \$1,500,000.00) and actual litigation costs and expenses in an amount not
13 to exceed Thirty-Three Thousand Dollars and Zero Cents (\$33,000.00), which will be paid out of the
14 Gross Settlement Amount, subject to approval by the Court. Class Counsel has borne all of the risks
15 and costs of litigation and will not receive any compensation until recovery is obtained.

16 46. The effectiveness of Class Counsel's prosecution of this matter has translated into
17 tangible monetary benefits as follows: (1) Class Members, the State of California, and PAGA
18 Employees will obtain monetary recovery over a relatively short period of time, as opposed to waiting
19 additional years for the same, or a potentially worse, result; (2) a guaranteed result that compares
20 favorably with other similar class action settlements of this type, given the strengths and weaknesses
21 of the case; and (3) significant savings in Class Counsel's fees and/or costs that would have only
22 increased had the matter progress through certification, trial, and/or upon appeal.

23 47. Class Counsel has litigated this matter for over a year and was actively preparing this
24 matter for class certification and trial. At all times, Plaintiffs were willing and prepared to litigate this
25 matter through class certification and trial if the Parties had been unable to reach a favorable resolution.
26 The Motion for Final Approval will elaborate on the nature of the legal services provided, the time
27 incurred in performing those services, and Class Counsel's hourly rates. The Motion for Final
28 Approval will also elaborate on the reimbursement costs sought by Class Counsel. Notice of the

requested Attorneys' Fees and Costs is disclosed to the Class Members in the Class Notice.

Notice to the Class

48. The Parties have agreed to retain Apex Class Action LLC ("Apex" or "Settlement Administrator") to handle the notice and settlement administration process. The Parties respectfully request that the Court appoint Apex to handle these procedures and to serve as the Settlement Administrator. Defendant will provide Apex with the Class List and Apex will calculate each Class Member's estimated Individual Settlement Share and each PAGA Employee's estimated Individual PAGA Payment. Apex will also receive and process Requests for Exclusion, Notices of Objection, and Workweek Disputes; will provide necessary reports and declarations; will calculate, subtract, and transmit necessary taxes and withholdings with respect to the wages portion of the Individual Settlement Shares; will prepare and submit informational and other tax filings and documents; will issue and transmit all payments provided for by the Settlement, including, but not limited to, mailing Individual Settlement Share payment checks to the Class Members and Individual PAGA Payment checks to the PAGA Employees; and perform any other usual and customary duties for administering a class action settlement.

49. I am not aware of an alternative method of providing notice to the Class which would result in a higher likelihood of actual notice. The original source of the mailing addresses is from each Class Member, who provided the information to Defendant. Skip tracing will be performed, if necessary.

Notice of Settlement to the LWDA

50. In accordance with California Labor Code section 2699(s)(2), on May 19, 2025, a copy of the proposed Settlement was submitted to the LWDA via online submission through the LWDA's website. A true and correct copy of the email from the LWDA confirming receipt is attached hereto as **Exhibit 5**.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on May 27, 2025, at Westlake Village, California

Karen I. Gold

EXHIBIT 1

- *Mario Fosados v. Drew Chain Security Corp.*, Los Angeles County Superior Court Case No. 24STCV00519, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Jose Manuel Amaro Bernal v. Joseph Holt Plastering, Inc.*, Los Angeles County Superior Court Case No. 24STCV15637, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Brandon Geston v. FRTO LLC, et al.*, Fresno County Superior Court Case No. 24CECG01292, approved as counsel in in settlement of representative wage and hour action pursuant to PAGA.
- *Alfonso Herrera v. W.L. Butler Construction, Inc., et al.*, Orange County Superior Court, Case No. 30-2023-01335445-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Emmanuel Caldera v. Zeb's World Famous Boathouse Inc. dba Goat Hill Tavern*, Orange County Superior Court, Case No. 30-2023-01310801-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jason McEntee v. Roche Molecular Systems, Inc.*, Alameda County Superior Court, Case No. 23CV041360, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Alexzander Roberts, et al. v. Lemonade Restaurant Group*, Los Angeles County Superior Court, Case No. 22STCV38302, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Halla Knotts v. Launch Technical Workforce Solutions, LLC*, San Bernardino County Superior Court, Case No. CIVSB2332568, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Armando Gastelum v. Premier Trailer Manufacturing, Inc.*, Tulare County Superior Court, Case No. VCU300333, approved as counsel in final settlement of wage and

hour class and PAGA action.

- *Tiffany Patterson v. Black Mountain Healthcare, LLC., d/b/a Seaport Home Health & Hospice*, San Diego County Superior Court, Case No. 37-2023-00037563-CU-OE-CTL, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Angel Rodriguez v. American Textile Maintenance*, Los Angeles County Superior Court, Case No. 22STCV17855, approved as counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Rita Ray v. Families Together of Orange County*, Orange County Superior Court, Case No. 30-2023-01324555-CU-OE-CXC, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Ly Hai v. Sunroad HS Auto, Inc.*, San Diego County Superior Court, Case No. 37-2022-00025788-CU-OE-CTL, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Anabel Perez v. Eureka Specialties, Inc.*, Los Angeles County Superior Court, Case No. 22STCV35940, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jose Luis Galicia v. Virco, Inc., et al.*, Los Angeles County Superior Court, Case No. 23STCV29425, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Rene Umana v. Columbus Technologies*, Los Angeles County Superior Court, Case No. 22STCV16432, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Fernando Solis v. Tuff Shed, Inc.*, Los Angeles County Superior Court, Case No. 24VECV00368, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Tyler Emery v. Santa Cruz Bicycles, LLC*, Santa Cruz Superior Court, Case No.

24CV00244, approved as counsel in final settlement of wage and hour class and PAGA action.

- *Vanessa Cortes v. Giti Tire (USA) LTD*, San Bernardino County Superior Court, Case No. CIVSB2332578, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Travis Sanford v. Santa Cruz Seaside Company*, Santa Cruz County Superior Court, Case No. 23CV01762, approved as counsel in final settlement of wage and hour class and PAGA action.
- *Jered Ortega v. YMCA of San Diego County*, San Diego County Superior Court, Case No. 37-2023-00043645-CU-OE-CTL, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Corina Martinez v. Stagnaro Bros. Seafood, Inc.*, Santa Cruz County Superior Court, Case No. 24CV00082, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alejandra Jimenez v. ClearFreight, Inc.*, Los Angeles County Superior Court, Case No. 23STCV28938, approved as counsel, in association with other counsel, in settlement of representative wage and hour action pursuant to PAGA.
- *Jazzmin Cortez v. Millard Mall Services, Inc.*, Riverside County Superior Court, Case No. CVRI2104010, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Michael Bravo v. Michels Pacific Energy, Inc.*, Santa Clara County Superior Court, Case No. 22CV403427, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Daniel Rodriguez v. Republique, LLC*, Los Angeles County Superior Court, Case No. 23STCV14521, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Theresa Bendorf, et al. v. Sea World LLC, et al.*, San Diego County Superior Court,

Case No. 37-2021-00034922-CU-OE-CTL, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.

- *Victor De La Cruz v. Northwest Pipe Company*, San Bernardino County Superior Court, Case No. CIVSB2211140, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Bobby Birdi v. Lucid USA, Inc.*, Alameda County Superior Court, Case No. 21CV003541, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Jose Trujillo, et al. v. Producers Dairy Foods, Inc.*, Sacramento County Superior Court, Case No. 34-2022-00313753, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *David Williams v. Rancho Nicasio, LLC*, Marin County Superior Court, Case No. CIV2203067, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Alexander Jackson v. Lifecare Assurance Company*, Los Angeles County Superior Court, Case No. 23STCV26579, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alexis Cardoza v. BHFC Operating LLC*, Los Angeles County Superior Court, Case No. 21STCV34040, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Maria Ayala, et al. v. SDH Services West, LLC*, Kern County Superior Court, Case No. BCV-21-101933, approved as class counsel in final settlement of wage and hour class action.
- *Alfredo Sanchez v. Greenworld, Inc.*, Riverside County Superior Court, Case No. CVRI2105756, approved as class counsel in final settlement of wage and hour class and PAGA action.

- *Oscar Bryant v. Midwest Construction Services, Inc. dba Trillium*, San Bernardino County Superior Court, Case No. CIVSB2121529, approved as class counsel in final settlement of wage and hour class action.
- *Matthew Savattieri v. AMI Expeditionary Healthcare, LLC, et al.*, Los Angeles County Superior Court, Case No. 21STCV33372, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Lexy Barajas, et al. v. H. W. Hunter, Inc.*, Los Angeles County Superior Court, Case No. 22STCV01892, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Alejandro Valdez v. C.H.I. Automart, Inc.*, Los Angeles County Superior Court, Case No. 21STCV40168, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sheizan Bawa v. Meathead Movers, Inc.*, Orange County Superior Court, Case No. 30-2021-01211895-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Tanisha Lopez, et al. v. Restorix Health, Inc.*, Los Angeles County Superior Court, Case No. 21STCV33067, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Perla Soto, et al. v. Nippon Express U.S.A., Inc.*, Los Angeles County Superior Court, Case No. 21STCV24902, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Angel Garcia, et al. v. J&B Investments, Inc., et al.*, San Bernardino County Superior Court, Case No. CIVSB2208601, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Sindy Aviles, et al. v. Freeway Insurance Services America, LLC*, Los Angeles County Superior Court, Case No. 21STCV34864, approved as counsel, in association with other counsel, in settlement of representative wage and hour action

pursuant to PAGA.

- *Alexander Gnaedig, et al. v. Favorite Healthcare Staffing, Inc.*, Los Angeles County Superior Court, Case No. 21STCV20904, approved as class counsel, in association with other counsel, in final settlement of wage and hour class and PAGA action.
- *Richard Evans v. My Paint Stop, LLC, et al.*, Contra Costa County Superior Court, Case No. MSC21-01812, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Jose Luis Parada George v. Main Electric Supply Company, LLC, et al.*, Orange County Superior Court, Case No. 30-2021-01220136-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Samia Salazar Yunis v. Sharif Jewelers*, Sacramento County Superior Court, Case No. 34-2020-00290080, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Daniel Analco v. Felix Chevrolet, LP, et al.*, Los Angeles County Superior Court, Case No. 21STCV36654, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sasha Aiono v. Benefit Cosmetics*, Los Angeles County Superior Court, Case No. 21STCV33719, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

EXHIBIT 2



MEHRDAD BOKHOUR
Attorney at Law

1901 Avenue of the Stars | Suite 450
Los Angeles | California 90067

tel 310 975 1493
fax 310 675 0861

September 25, 2023

SUBMITTED VIA LWDA'S PAGA CLAIM NOTICE ONLINE PORTAL

COPY SENT VIA CERTIFIED MAIL TO:

EKC ENTERPRISES, INC.
P.O BOX 6487
FRESNO, CALIFORNIA 93703

C/O: CHRISTOPHER R SHAFER
4658 E WEATHERMAKER
FRESNO, CALIFORNIA 93703

Re: Fernando Jaramillo v. EKC Enterprises, Inc.
Notice of Intent to File Suit for California Labor Code § 2698 et seq. Penalties

To Whom It May Concern:

This office, along with Falakassa Law, P.C., represents Fernando Jaramillo (hereinafter "Mr. Jaramillo") and a proposed group of current and former non-exempt employees working for EKC Enterprises, Inc. (hereinafter "EKC Enterprises") and any of their affiliated, predecessor and/or merged entities in the State of California for violations of the California Labor Code §§ 201-203, 204, 210, 221, 226(a), 226(e), 226.3, 226.7, 227.3, 246, 510, 512, 516, 1174, 1174.4, 1194, 1194.2, 1197.1, 1199, 2802-2804, and all applicable Industrial Welfare Commission Wage Orders ("Wage Order").

This letter shall serve as notification under Labor Code § 2699.3 (hereinafter "PAGA Notice"). The \$75 filing fee made payable to the California Labor and Workforce Development Agency for the Private Attorneys General Act Notice ("PAGA Notice") was paid online, and a copy of this PAGA Notice was submitted electronically to the Department of Industrial Relations.

Mr. Jaramillo wishes to bring a representative action on behalf of himself and the State of California as well as on behalf of the following group of "aggrieved employees":

All current and former non-exempt employees who work or worked for EKC Enterprises, Inc. in California, during the one year immediately preceding the filing of this PAGA Notice and continuing into the present and ongoing ("aggrieved employees")

EKC Enterprises specializes in the design, installation, and servicing of customized low voltage systems. Mr. Jaramillo was employed by EKC Enterprises as a non-exempt employee with the title of “Technician.” Mr. Jaramillo began working with EKC Enterprises on or about March 1, 2023, until approximately September 5, 2023. Mr. Jaramillo and other aggrieved employees (including, but not limited to, installers, technician, inventory specialist, AP specialist, maintenance personnel, general staff, and all other non-exempt positions) were responsible for various aspects of EKC Enterprises’ business in the State of California.

At all relevant times, Mr. Jaramillo and other aggrieved employees regularly worked various shifts, many of which were in excess of 8.0 hours in a workday and 40.0 hours in a workweek. Mr. Jaramillo alleges that other aggrieved employees were also subjected to the same policies, procedures, and practices, working conditions, and corresponding wage and hour violations to which he was subjected during his employment.

First, at all relevant times, EKC Enterprises has had a consistent practice of failing to accurately record and pay for all hours worked and for all hours which aggrieved employees were subject to the control of EKC Enterprises. Indeed, Mr. Jaramillo and other aggrieved employees would consistently perform pre-shift and post-shift duties, including but not limited to, donning and doffing PPE and other required work, which was not accurately reported and paid for by EKC Enterprises. As a result of this practice, Mr. Jaramillo and other aggrieved employees are not compensated for all the hours that they work and all of the overtime hours they work, in violation of Cal. Labor Code §§ 204, 210, 510, 1194, 1197.1, 1199, and applicable Wage Orders.

Here, EKC Enterprises’ time recording and pays practices failed to account and pay for hours worked. Moreover, because EKC Enterprises is capable of tracking the exact time worked by aggrieved employees to the minute, the practice itself exists not for the convenience or benefit of the employees who are trying to report their time worked accurately but for EKC Enterprises’ benefit. As a result of the unlawful practice, Mr. Jaramillo and other aggrieved employees were not paid for all hours worked, including all minimum wages and overtime wages for hours worked in excess of eight hours per shift.

In addition, at all relevant times, EKC Enterprises automatically deducted 30 minutes from Mr. Jaramillo and other aggrieved employees’ time entries for meal periods. EKC Enterprises’ policy/practice automatically deducted 30 minutes for meal periods, regardless of whether a 30-minute meal period was actually taken. Indeed, aggrieved employees’ meal periods were often cut short and lasted fewer than 30 minutes.

As a result of this auto-deduct practice, over a period of time, Mr. Jaramillo and other aggrieved employees were also not properly paid for all hours worked, including all minimum wages and overtime wages, in violation of Labor Code §§ 204, 510, 1194, 1197.1, 1199, and applicable Wage Orders.

Labor Code § 1197.1 authorizes employees who are paid less than the minimum fixed by an applicable state or local law or by an order of the commission a civil penalty, restitution of wages, and liquidated damages as follows: (1) for any initial violation that is intentionally committed, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee is underpaid....[and] (2) [f]or each subsequent violation for the same specific offense, two hundred fifty dollars (\$250) for each underpaid employee for each pay period for which the employee is underpaid regardless of whether the initial violation is intentionally committed.

Labor Code § 510 requires an employer to compensate an employee who works more than eight (8) hours in one workday, forty (40) hours in a workweek, and for the first eight (8) hours worked on the seventh consecutive day, no less than one and one-half times (1 1/2) the regular rate of pay. In addition, Labor Code § 510 obligates employers to compensate employees at no less than twice the regular rate of pay when an employee works more than twelve (12) hours in a workday or more than eight (8) hours on the seventh consecutive day of work. Pursuant to Section 3 of the applicable Wage Orders, non-exempt employees shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 1/2) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek.

As set forth above, EKC Enterprises failed to compensate Mr. Jaramillo and other aggrieved employees for all hours worked, including all minimum and overtime wages, by failing to properly record and pay aggrieved employees for all hours worked, including all minimum and overtime wages. Accordingly, through PAGA and to the extent permitted by law, Mr. Jaramillo and other aggrieved employees are entitled to recover penalties for violations of Labor Code §§ 204, 210, 510, 1194, 1197.1, 1199, pursuant to Labor Code § 1197.1 or Labor Code § 2698 et seq.

Furthermore, Mr. Jaramillo and other aggrieved employees were denied compliant and timely 30-minute off-duty meal periods as mandated by California law. Due to EKC Enterprises' uniform meal period policies/practices and operational requirements, Mr. Jaramillo and other aggrieved employees were often unable to take timely and uninterrupted 30-minute first meal periods before the end of the fifth hour of work. Further, when Mr. Jaramillo and other aggrieved employees worked more than 10.0 hours in a shift, they were not allowed and permitted to take a mandated second meal period before the end of the tenth hour of work in violation of the Labor Code and applicable Wage Orders.

To make matters worse, at all relevant times, EKC Enterprises automatically deducted 30 minutes from Mr. Jaramillo and other aggrieved employees' time entries for meal periods whether or not the meal periods were taken were actually 30 minutes in length. EKC Enterprises' policy/practice automatically deducted 30 minutes for meal periods, regardless of whether a 30-minute meal period was actually taken. Indeed, aggrieved employees' meal periods were often cut short and lasted fewer than 30 minutes due to EKC Enterprises' meal period policies/procedures and operational requirements and work demands.

Further, for each missed or non-compliant meal period, EKC Enterprises failed and continues to fail to maintain a mechanism by which aggrieved employees were paid meal period premiums at the “regular rate of pay” pursuant to *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 5th 858 and Labor Code § 226.7.

Accordingly, due to EKC Enterprises’ uniform meal period practices, Mr. Jaramillo and other aggrieved employees were also regularly denied legally compliant meal periods in violation of Labor Code 226.7, 510, 516, and applicable IWC Wage Orders, and are entitled to penalties under Labor Code § 2698 et seq.

Moreover, at all relevant times, Mr. Jaramillo and other aggrieved employees were not provided with all 10-minute rest periods for every four hours worked or major fraction thereof due to EKC Enterprises’ uniform rest period policies/practices, staffing issues, and operational requirements. As a result, Mr. Jaramillo and other aggrieved employees were and are often unable to take a net 10-minute duty-free rest period for every major fraction of four hours worked. This includes a second rest period for shifts in excess of six hours, and a third rest period for shifts in excess of 10 hours in a workday. Making matters worse, EKC Enterprises had a uniform policy/practice that required Mr. Jaramillo and other aggrieved employees to remain on premises during rest periods.

By not relieving all non-exempt employees of all duties during rest periods, EKC Enterprises failed to provide legally compliant rest periods. See *Augustus v. ABM Security Services, Inc.* (2016) 2 Cal. 5th 257, 269 [concluding that “during rest periods employers must relieve employees of all duties and relinquish control over how employees spend their break time.”]. In *Augustus*, the California Supreme Court expressly rejected the employers’ assertion that it could provide an on-duty rest period to employees who worked as security guards and further explained “that employers [must] relinquish any control over how employees spend their break time and relieve their employees of all duties.” *Id.* at 273.

Each time Mr. Jaramillo and other aggrieved employees were unable to take a compliant rest period, EKC Enterprises failed and continues to fail to adequately pay rest period premium payments at the “regular rate of pay” as required by Labor Code § 226.7.

Accordingly, due to EKC Enterprises’ uniform rest period policies/practices and work demands, Mr. Jaramillo and other aggrieved employees were also regularly denied legally compliant rest breaks in violation of Labor Code §§ 226.7, 512, and applicable Wage Orders, and would be entitled to penalties under Labor Code § 2698 et seq.

As a result of EKC Enterprises’ failure to pay Mr. Jaramillo and other aggrieved employees for all hours they were subject to the control of EKC Enterprises, including all minimum, overtime, sick pay wages, and EKC Enterprises’ failure to pay for meal and rest period premiums at the “regular rate of pay,” EKC Enterprises issued wage statements that failed to accurately identify the gross wages earned, the total hours worked, the net wages earned, and the correct

corresponding number of hours worked at each hourly rate, in violation of Labor Code § 226(a)(1, 2, 5, and 9).

Labor Code § 226.3 provides that “[a]ny employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial violation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage deduction statement or fails to keep the required in subdivision (a) of Section 226.”

Thus, for the violations of Labor Code section 226 described above, Mr. Jaramillo and other aggrieved employees are entitled to recover penalties under Labor Code § 226.3.

Next, as a result of Mr. Jaramillo's failure to pay all minimum and overtime wages due, Mr. Jaramillo also failed to pay all aggrieved employees in a timely manner in compliance with Labor Code § 204. Labor Code § 204 "pertains to the timing of wage payments" and serves a very important public policy objective. "It has long been recognized that wages are not ordinary debts, . . . and that, because of the economic position of the average worker and, in particular, his dependence on wages for the necessities of life for himself and his family, it is essential to the public welfare that he receive his pay when it is due." (See also *In re Trombley* (1948) 31 Cal. 2d 801, 810-11 (citing *In re Moffett* (1937) 19 Cal.App.2d 7, 19).

The penalties for violating Labor Code § 204 are set forth in Labor Code section 210(a) as follows: [E]very person who fails to pay the wages of each employee as provided in Sections . . . 204 . . . shall be subject to a civil penalty as follows: (1) For any initial violation, one hundred dollars (\$100) for each failure to pay each employee. (2) For each subsequent violation, or any willful or intentional violation, two hundred dollars (\$200) for each failure to pay each employee, plus 25 percent of the amount unlawfully withheld.

Due to their uniform policies/practices of failing to pay all overtime wages, Mr. Jaramillo and the other aggrieved employees late, EKC Enterprises violated the provisions of Labor Code § 204 and the applicable Wage Orders. Accordingly, through PAGA and to the extent permitted by law, Mr. Jaramillo and other aggrieved employees are entitled to recover civil penalties pursuant to Labor Code § 2698.

Furthermore, as a result of the above violations, EKC Enterprises also consistently failed to keep complete and accurate payroll records in violation of Labor Code § 1174(d). As a result, EKC Enterprises will be held liable for penalties under Labor Code 2698 et seq.

Moreover, at all relevant times, EKC Enterprises required Mr. Jaramillo and other aggrieved employees to incur necessary business expenses associated with using their personal cell phones and tools for work-related purposes but did not reimburse aggrieved employees adequately for these necessary expenditures in violation of Labor Code §§ 2802-2804. See *Cochran v. Schwan's Home Service, Inc.*, (2014) 228 Cal.App.4th 1137, 1144 "[i]f an employee is

required to make work-related calls on a personal cell phone, then he or she is incurring an expense for the purposes of section 2802. It does not matter whether the phone bill is paid for by a third person, or at all...To show liability under section 2802, an employee need only show that he or she was required to use a personal cell phone to make work-related calls, and he or she was not reimbursed"].

Here, EKC Enterprises uniformly failed to reimburse aggrieved employees for a reasonable portion of their cell phone bill and work tools, and other necessary costs incurred in the discharge of their duties for those aggrieved employees. Accordingly, due to EKC Enterprises' uniform failure to adequately reimburse for necessary business expenditures in violation of Labor Code §§ 2800-2804 and applicable Wage Orders, Mr. Jaramillo and other aggrieved employees would be entitled to civil penalties under Labor Code § 2698 *et seq.*

Finally, Mr. Jaramillo and other aggrieved employees did not receive timely payment of their final wages as required by Labor Code §§ 201, 202, 203, and 204. Labor Code § 201 provides that, "if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately." Moreover, Labor Code § 202 provides that, if an employer willfully fails to pay the wages of a terminated employee as required by section 201, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefore is commenced.

Further, Labor Code § 203 provides that, if an employer willfully fails to pay, without abatement or reduction, in accordance with sections 201, 201.5, 202, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefore is commenced; but the wages shall not continue for more than 30 days. As a result, Mr. Jaramillo and other aggrieved employees are entitled to recover penalties for violations of Labor Code §§ 201-203 pursuant to Labor Code § 2698 *et seq.*

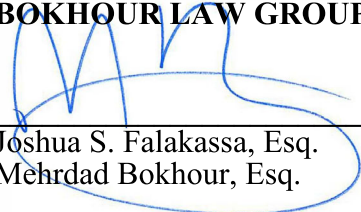
Pursuant to Labor Code § 2699.3(a)(2)(A), please advise within sixty-five (65) calendar days of the date of this notice whether your office intends to investigate the violations alleged herein above. We understand that if we do not receive a response from your office within sixty-five (65) calendar days of this PAGA Notice, Mr. Jaramillo may thereafter pursue his interests and the interests of similarly aggrieved employees with a civil complaint against EKC Enterprises for its violations of the California Labor Code and applicable Wage Orders.

While it is our intent to pursue a PAGA representative and/or Class Action lawsuit against EKC Enterprises for unpaid wages and civil penalties under Labor Code § 2699, it is our firm's policy to attempt to negotiate an early resolution of all matters where possible and beneficial to all aggrieved employees. If EKC Enterprises is interested in attempting to resolve this matter, please contact me or have your lawyer contact our office so that we can discuss an informal discovery plan and the possibility of early mediation on or before November 10, 2023.

California Labor and Workforce Development Agency
September 25, 2023
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Respectfully submitted,

FALAKASSA LAW, P.C.
BOKHOUR LAW GROUP, P.C.



Joshua S. Falakassa, Esq.
Mehrdad Bokhour, Esq.

EXHIBIT 3

November 15, 2023

PAGA Claim Notice Via Online Electronic Submission

California Labor & Workforce Development Agency

800 Capitol Mall, Suite 5000 (MIC-55)

Sacramento, CA 95814

<https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>

RE: *Tyler Krug v. EKC Enterprises, Inc.*

Dear Representative:

This office represents Tyler Krug (“Claimant”) with respect to his claims under the California Labor Code against EKC Enterprises, Inc., (including any and all affiliates, subsidiaries, parents, directors, and officers thereof) (collectively referred to herein as “Employers”). This letter is being sent simultaneously to Employers by certified mail.

Employers employed Claimant from approximately August 2022 to November 2022 as a non-exempt, hourly-paid employee. During his employment with Employers, Claimant was employed as a Technical Support employee at 4725 District Blvd, Bakersfield, CA 93313.

Claimant intends to bring a representative action seeking penalties for violations of the California Labor Code which are recoverable under the Labor Code Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”). Claimant is seeking penalties on behalf of himself and in a representative capacity on behalf of the State of California and all current and former hourly-paid and/or non-exempt employees who worked for Employers in the State of California during the relevant statutory period (“Aggrieved Employees”). This letter is being sent in compliance with California Labor Code section 2699.3 and shall serve as Claimant’s notice of the provisions of the California Labor Code alleged to have been violated, including the facts and theories in support thereof.

As detailed below, Employers violated several of California’s wage and hour laws during Claimant’s employment, including but not limited to California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the Industrial Welfare Commission Wage Orders (“IWC Wage Orders”). The claims made on behalf of Claimant and Aggrieved Employees are based upon the following facts and theories:

1. FAILURE TO PAY FOR ALL TIME WORKED AT CORRECT RATES OF PAY, INCLUDING MINIMUM WAGES, STRAIGHT TIME WAGES, AND OVERTIME COMPENSATION

Employers have engaged in numerous unlawful practices which resulted in the failure to pay Claimant and other Aggrieved Employees for all time worked at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation.

California Labor Code sections 1194, 1197, and 1197.1 and IWC Wage Orders require employers to pay at least the legal minimum wage to their employees. California Labor Code sections 510 and 1198 and IWC Wage Orders further require employers to pay no less than one and one-half times the regular rate of pay of the employee for hours worked in excess of eight (8) hours in one workday, for hours worked in excess of forty (40) hours in one workweek, and for the first eight (8) hours worked on the seventh day of work in any one workweek, and to pay no less than twice the regular rate of pay of the employee for hours worked in excess of twelve (12) hours in one workday and for any work in excess of eight (8) hours on any seventh day of a workweek.

Throughout the relevant time period, Employers regularly required Claimant and other Aggrieved Employees to perform work off-the-clock. This off-the-clock work included, amongst other things, requiring Claimant and other Aggrieved Employees to work through meal periods providing technical support job duties to Employers. Employers failed to compensate Claimant and other Aggrieved Employees for any of this off-the-clock work, in violation of California law. In addition, Employers utilized time rounding practices that resulted in the systematic underpayment of wages (including minimum wages, straight time wages and overtime wages) to Claimant and Aggrieved Employees.

Employers also failed to accurately record the actual time worked by Claimant and Aggrieved Employees. Moreover, the uncompensated work described herein was often performed when Claimant and other Aggrieved Employees had already worked eight (8) hours in a day and/or forty (40) hours in week resulting in a failure to pay overtime compensation. Finally, Employers failed to pay overtime to Claimant and Aggrieved Employees for all overtime hours worked based on regular rates of pay correctly calculated to include all applicable remuneration, including non-discretionary commissions, non-discretionary bonuses, and non-discretionary performance pay.

As a result of the foregoing practices, Employers have failed to pay Claimant and other Aggrieved Employees for all wages earned at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation. Accordingly, Employers violated IWC Wage Orders and California Labor Code sections 204, 510, 1194, 1197, 1197.1 and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph of the applicable IWC Wage Orders; penalties pursuant to California Labor Code sections 558, 1197.1, and 1199; and attorneys' fees and costs.

2. FAILURE TO PROVIDE MEAL PERIODS AND PAY MEAL PERIOD PREMIUMS

California law requires employers to provide employees with an opportunity to take an uninterrupted meal period of no less than thirty (30) minutes before the end of the fifth hour of work when an employee works more than five (5) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). A second meal period of no less than thirty (30) minutes must be provided before the end of the tenth hour of work when an employee works more than ten (10) hours in a day. Cal. Lab. Code §§ 226.7, 512(a). When an employer fails to provide a meal or rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

During the relevant time period, Employers failed to provide Claimant and other Aggrieved Employees with legally-compliant 30-minute meal periods. Claimant and other Aggrieved Employees were required by Employers to work more than five (5) hours per day, but were not provided with uninterrupted 30-minute meal periods. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted 30-minute meal period when they worked over ten (10) hours per day. Employers regularly required Claimant and other Aggrieved Employees to work through their first and second meal periods, to take their first meal period after their fifth (5th) hour of work, and/or to take their second meal periods after their tenth (10th) hour of work. Meal periods, when provided, were oftentimes interrupted or cut short.

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely, complete and duty-free meal periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of meal periods or systematically disregarded its own purported meal period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant meal period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free meal periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant meal periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free meal periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during meal periods; and (7) Employers' policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free meal periods because of the priority placed on maximizing profits over employees' right to receive timely, uninterrupted, and duty-free meal periods.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for the meal periods which were not provided to them in compliance with California law. Accordingly, Employers violated the applicable IWC Wage Orders and California Labor Code sections 226.7, 512(a) and 1198.

Claimants and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; penalties pursuant to California Labor Code sections 558 and 1199; and attorneys' fees and costs.

3. FAILURE TO AUTHORIZE AND PERMIT REST PERIODS AND PAY REST PERIOD PREMIUMS

California law requires employers to authorize and permit employees to take an uninterrupted rest period of no less than ten (10) minutes rest for every four (4) hours, or major fraction thereof, worked. Cal. Lab. Code § 226.7. When an employer fails to authorize and permit a rest period, an hour of pay at the employee's regular rate of compensation is owed to the employee. Cal. Lab. Code § 226.7(c).

Employers failed to authorize and permit Claimant and other Aggrieved Employees to take legally-compliant 10-minute rest periods. Employers required Claimant and other Aggrieved Employees to work through rest periods. Claimant and Aggrieved Employees were not provided with uninterrupted, duty-free rest periods when they worked more than four (4) hours or a major fraction thereof. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted, duty-free rest period when they worked more than six (6) hours in a day, or a third uninterrupted, duty-free rest period after working more than ten (10) hours in day. In the rare event that a rest period was taken, it was frequently interrupted or cut short. Moreover, Claimant and other Aggrieved Employees were not completely relieved of duty as required by *Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257 (2016).

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely and complete rest periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of rest periods or systematically disregarded its own purported rest period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant rest period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free rest periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant rest periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free rest periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during rest periods; and (7) Employers' policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free rest periods because of the priority placed on completing job requirements over employees' right to receive rest periods.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their

regular rate of pay for the rest periods which were not provided to them in compliance with California law. Accordingly, Employers violated the applicable IWC Wage Orders and California Labor Code sections 226.7, and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; Labor Code sections 558 and 1199 penalties; and attorneys' fees and costs.

4. FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT

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, Employers have failed to timely pay all wages earned because Claimant and other Aggrieved Employees were not paid all the wages they were owed including, *inter alia*, overtime compensation, straight time wages, minimum wages, and meal and rest period premiums. Accordingly, Employers violated California Labor Code section 204(a).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; and attorneys' fees and costs.

5. FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

California Labor Code section 226(a) requires an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, *inter alia*, (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, and (8) the name and address of the legal entity that is the employer.

As a result of the practices described herein, the wage statements provided to Claimant and other Aggrieved Employees failed to include the actual hours worked (including time spent working off-the-clock), the actual gross wages earned (including wages owed for time spent working off the clock and meal and rest period premiums), and the correct rates of pay. The wage statements

provided to Claimant and other Aggrieved Employees also failed to include the name of the legal entity that employed Claimant and the Aggrieved Employees. Accordingly, Employers violated California Labor Code section 226(a).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to California Labor Code section 226.3; and attorneys' fees and costs.

6. FAILURE TO MAINTAIN ACCURATE RECORDS

California Labor Code section 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, Employers have failed to maintain accurate records relating to Claimant and other Aggrieved Employees' work periods, meal periods, total daily hours worked, and total hours worked per payroll period. Accordingly, Employers violated the applicable IWC Wage Orders and California Labor Code sections 1198.5 and 1174(d).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; California Labor Code section 1174.5 penalties; and attorneys' fees and costs.

7. FAILURE TO REIMBURSE NECESSARY EXPENDITURES

California Labor Code sections 2800 and 2802 require an employer to reimburse its employees 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. The IWC Wage Orders require employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Claimant and Aggrieved Employees incurred necessary business-related expenses and costs that were not fully reimbursed by Employers. These costs include but are not limited to the usage of personal cell phones for work-related purposes.

Accordingly, Employers violated the IWC Orders and California Labor Code sections 2800 and 2802. Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; and attorneys' fees and costs.

8. FAILURE TO TIMELY PAY ALL WAGES UPON TERMINATION OF EMPLOYMENT

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, upon the termination of employment (including but not limited to when they were temporarily laid off, laid off, discharged, and/or resigned), Aggrieved Employees were not paid all wages due to them within twenty-four (24) hours or even within seventy-two (72) hours for those who resigned. Specifically, as a result of Employers' practices of requiring Aggrieved Employees to work off-the-clock without compensation, failing to pay proper overtime compensation, unlawful rounding practices, failure to properly calculate regular rates, and failure to accurately record all hours actually worked, Employers failed to pay Aggrieved Employees for all straight time wage, minimum wages and overtime compensation owed to them upon termination of their employment. Employers also failed to pay Aggrieved Employees for meal period premiums and rest period premiums they were owed, amongst other wages. Accordingly, Employers violated California Labor Code sections 201 and 202.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to California Labor Code sections 203 and 1199; and attorneys' fees and costs.

9. EMPLOYER'S OTHER VIOLATIONS OF THE CALIFORNIA LABOR CODE

Finally, pursuant to *Huff v. Securitas Security Services USA, Inc.* (2018) 25 Cal.App.5th 745 ("*Huff*"), as an Aggrieved Employee, Claimant has standing, and intends, on behalf of LWDA, to pursue civil penalties against Employer for any and all other Labor Code violations committed by Employer. In *Huff*, the California Court of Appeals held that an employee alleging a single violation of the Labor Code under PAGA may also bring PAGA claims against Employer for all other alleged Labor Code violations, even those suffered by other employees of the same employer. According to the *Huff* decision, Claimant, as an "aggrieved" employee affected by at least one Labor Code violation may, and hereby does, pursue penalties on behalf of LWDA for unrelated Labor Code violations by Employer.

Employers are in direct violation of numerous California wage and hour laws including but not limited to said sections stated above. We hereby provide notice under the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698, et seq., and specifically ask for an investigation, or if the agency does not intend to investigate the alleged violations, a letter confirming the same so that we may allege a cause of action under PAGA against Employers for the violations discussed in this letter.

This letter is sent in compliance with the reporting requirements of California Labor Code

section 2699.3. By law, an employee alleging a violation of one of the above referenced sections must notify his or her employer and the Labor and Workforce Development Agency (LWDA) before he or she can invoke the provisions of Sections 2699, et seq., by seeking redress in court. Cal. Lab. Code § 2699.3(a)(1). The LWDA must then notify the employer and the employee within 60 calendar days regarding whether it intends to investigate the alleged violation. Cal. Lab. Code § 2699.3(a)(2)(B). If the LWDA advises it will not investigate, or if no notice is provided within 65 calendar days, the employee may file a lawsuit invoking the provisions under Labor Code § 2699. Cal. Lab. Code § 2699.3(a)(2)(A). It is Claimant's intention to file a civil complaint and to bring the appropriate claims under California Labor Code § 2699 on behalf of themselves, the State of California and all Aggrieved Employees should your office not address Employers' alleged violations within this time.

If you have any questions or require additional information, please do not hesitate to contact my office. Thank you for your attention to this matter.

BLACKSTONE LAW

Karen Gold

Karen Gold, Esq.

cc: By U.S. Certified Mail, Return Receipt Requested

EKC Enterprises, Inc
Attn: Christopher R. Shafer
Agent for Service of Process
4658 E Weathermaker
Fresno, CA 93703

EXHIBIT 4

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Letter” collectively with Jaramillo PAGA Letter is “PAGA Letters”).

4. On November 27, 2023, Plaintiff Tyler Krug & Francisco Balbuena filed a Class Action Complaint for Damages in the action entitled *Tyler Krug et al. v. EKC Enterprises, Inc. et al.* Kern County Superior Court Case No. BCV-23-103975 (“Krug Action” collectively with Jaramillo Action is defined hereinafter as “Actions”), thereby commencing a putative class action against Defendant.

5. On January 18, 2024, Plaintiffs Tyler Krug & Francisco Balbuena filed a First Amended Class and Representative Action Complaint, adding a cause of action under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, et seq. (“PAGA”).

6. On February 20, 2025, Plaintiffs Tyler Krug & Francisco Balbuena filed a Second Amended Class and Representative Action Complaint which added Plaintiff Fernando Jaramillo. (“Operative Complaint”) The Operative Complaint alleges ten (10) causes of action for violations of the California Labor Code for failure to pay minimum wages, failure to pay overtime wages, failure to provide compliant meal periods and premium payments in lieu thereof, failure to provide compliant rest periods and premiums payments in lieu thereof, failure to timely pay wages during employment, failure to provide compliant wage statements, failure to maintain complete and accurate payroll records, failure to timely pay wages upon termination, and failure to reimburse necessary business expenses, for violations of California Business & Professions Code Section 17200, et seq. based on the aforementioned California Labor Code violations, and for civil penalties under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698 et seq. (“PAGA”) based on the aforementioned California Labor Code violations.

7. On or around February 20, 2025, Plaintiff Fernando Jaramillo dismissed the Jaramillo Action without prejudice.

8. Defendant denies all material allegations set forth in the Actions and has asserted numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation, Defendant desires to fully and finally settle the Actions, Released Class Claims (as defined herein), and Released PAGA Claims (as defined herein).

9. Class Counsel diligently investigated the class and PAGA claims against Defendant, including any and all applicable defenses and the applicable law. The investigation included, *inter*

1 *alia*, the exchange of information, data, and documents, and review of corporate policies and practices.
2 The Parties have engaged in sufficient informal discovery and investigation to assess the relative
3 merits of the claims and contentions of the Parties.

4 10. On October 15, 2024, the Parties participated in mediation with Tripper Ortman (the
5 “Mediator”), a respected mediator of complex wage and hour actions, and with the assistance of the
6 Mediator’s evaluations, the Parties reached the settlement that is memorialized herein. The Parties’
7 settlement discussions were conducted at arms’ length, and the Settlement is the result of an informed
8 and detailed analysis of Defendant’s potential liability and exposure in relation to the costs and risks
9 associated with continued litigation. Based on Class Counsel’s investigation and evaluation, Class
10 Counsel believes that the settlement with Defendant for the consideration and on the terms set forth in
11 this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class
12 Members, State of California, and PAGA Employees in light of all known facts and circumstances,
13 including the risk of significant delay and uncertainty associated with litigation and various defenses
14 asserted by Defendant.

15 11. The Parties expressly acknowledge that this Settlement Agreement is entered into
16 solely for the purpose of compromising significantly disputed claims and that nothing herein is an
17 admission of liability or wrongdoing by Defendant. If for any reason this Settlement Agreement is
18 not approved, it will be of no force or effect, and the Parties shall be returned to their original respective
19 positions.

20 **DEFINITIONS**

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

23 a. “Attorneys’ Fees and Costs” means attorneys’ fees approved by the Court for
24 Class Counsel’s litigation and resolution of the Actions and all actual costs and expenses incurred and
25 to be incurred by Class Counsel in connection with the Actions, as set forth in Paragraph 15.

26 b. “Class” or “Class Member(s)” means all current and former hourly-paid or non-
27 exempt employees who worked for Defendant within the State of California at any time during the
28 Class Period.

c. “Class Counsel” means Jonathan M. Genish, Karen I. Gold, Marissa A. Mayhood of Blackstone Law, APC, Mehrdad Bokhour of Bokhour Law Group, P.C., and Joshua Falakassa of Falakassa Law. P.C. who will seek to be appointed counsel for the Class.

d. “Class List” means a complete list of all Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet containing the following information for each Class Member: (1) full name; (2) last known mailing address; (3) Social Security number; and (4) dates worked for Defendant during the Class Period.

e. “Class Notice” means the Notice of Class Action Settlement, substantially in the form attached hereto as “Exhibit A.”

f. “Class Period” means the period from November 28, 2019, until the date of the Court’s order granting preliminary approval of the Settlement Agreement, subject to paragraph 19.

g. “Class Settlement” means the settlement and resolution of all Released Class Claims.

h. “Court” means the Superior Court of the State of California for the County of Kern.

i. “Defendant’s Counsel” means Ian Wieland & David Litman of Sagaser, Watkins & Wieland, P.C.

j. “Effective Date” means the date when all of the following events have occurred: (1) the Settlement Agreement has been executed by all Parties, Class Counsel, and Defendant’s Counsel; (2) the Court has given preliminary approval to the Settlement; (3) the Class Notice has been mailed to the Class Members, providing them with an opportunity to object to the terms of the Class Settlement or opt out of the Class Settlement; (4) the Court has had a Final Approval Hearing and entered a Final Approval Order and Judgment; (5) sixty-five calendar days have passed since the Court entered a Final Approval Order and Judgment; and (6) in the event there are written objections to the Class Settlement filed prior to the Final Approval Hearing which are not later withdrawn or denied, the later of the following events: five business days after the period for filing any appeal, writ, or other appellate proceeding opposing the Court’s Final Approval Order and Judgment has elapsed without

1 any appeal, writ, or other appellate proceeding having been filed, or, if any appeal, writ, or other
2 appellate proceeding opposing the Court's Final Approval Order and Judgment has been filed, five
3 business days after any appeal, writ, or other appellate proceedings opposing the Court's Final
4 Approval Order and Judgment has finally and conclusively dismissed with no right to pursue further
5 remedies or relief.

6 k. "Employer Taxes" means the employer's share of taxes and contributions in
7 connection with the wages portion of Individual Settlement Shares, which shall be paid by Defendant
8 in addition to the Gross Settlement Amount.

9 l. "Enhancement Payment" means the amount to be paid to Plaintiffs, in
10 recognition of their effort and work in prosecuting the Actions on behalf of Class Members and PAGA
11 Employees, and general release of claims, as set forth in Paragraph 16.

12 m. "Final Approval" means the determination by the Court that the Settlement is
13 fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

14 n. "Final Approval Hearing" means the hearing at which the Court will consider
15 and determine whether the Settlement should be granted Final Approval.

16 o. "Final Approval Order and Judgment" means the order granting final approval
17 of the Settlement and entering judgment thereon, in a form and content mutually agreed to by the
18 Parties, and subject to approval by the Court.

19 p. "Gross Settlement Amount" means the amount of one million and five hundred
20 thousand dollars and zero cents (\$1,500,000.00) to be paid by Defendant in full satisfaction of the
21 Actions, Released Class Claims, and Released PAGA Claims, which includes all Attorneys' Fees and
22 Costs, Enhancement Payment, PAGA Amount, Settlement Administration Costs, and Net Settlement
23 Amount to be paid to the Settlement Class Members. Defendant shall pay the Employer Taxes
24 separately and in addition to the Gross Settlement Amount. The Gross Settlement Amount is non-
25 reversionary; no portion of the Gross Settlement Payment will return to Defendant. The Gross
26 Settlement Amount is subject to a potential increase, as provided in Paragraph 19.

27 q. "Individual PAGA Payment" means the *pro rata* share of the PAGA Employee
28 Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement, to be

1 calculated in accordance with Paragraph 21.

2 r. "Individual Settlement Payment" means the net payment of each Settlement
3 Class Member's Individual Settlement Share, after reduction for the employee's share of taxes and
4 withholdings with respect to the wages portion of the Individual Settlement Share, as provided in
5 Paragraph 22.

6 s. "Individual Settlement Share" means the *pro rata* share of the Net Settlement
7 Amount that a Class Member may be eligible to receive under the Class Settlement, to be calculated
8 in accordance with Paragraph 20.

9 t. "LWDA Payment" means the amount of seventy-five thousand and zero cents
10 (\$75,000.00), i.e., 75% of the PAGA Amount, that the Parties have agreed to pay to the LWDA under
11 the PAGA Settlement, as set forth in Paragraph 17.

12 u. "Net Settlement Amount" means the portion of the Gross Settlement Amount
13 that is available for distribution to Settlement Class Members, which is the Gross Settlement Amount
14 less the Court-approved Attorneys' Fees and Costs, Enhancement Payment, PAGA Amount, and
15 Settlement Administration Costs.

16 v. "Notice of Objection" means a Settlement Class Member's written objection to
17 the Class Settlement, which must: (a) contain the case name and number of the Krug Action (*Tyler*
18 *Krug et al. v. EKC Enterprises, Inc.*, Case No. BCV-23-103975); (b) contain the objector's full name,
19 signature, address, telephone number, and the last four (4) digits of the objector's Social Security
20 number; (c) contain a written statement of all grounds for the objection accompanied by any legal
21 support for such objection; (d) contain copies of any papers, briefs, or other documents upon which
22 the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified
23 address, postmarked on or before the Response Deadline.

24 w. "PAGA Amount" means the allocation of one hundred thousand dollars and
25 zero cents (\$100,000.00) from the Gross Settlement Amount for the PAGA Settlement. Seventy-five
26 percent (75%) of the PAGA Amount, or \$75,000.00, will be paid to the LWDA (i.e., the LWDA
27 Payment) and the remaining twenty-five percent (25%), or \$25,000.00, will be distributed to the
28 PAGA Employees (i.e., the PAGA Employee Amount).

1 x. “PAGA Employee(s)” means all current and former hourly-paid or non-exempt
2 employees who worked for Defendant within the State of California at any time during the PAGA
3 Period.

4 y. “PAGA Employee Amount” means the amount of twenty-five thousand dollars
5 and zero cents (\$25,000.00), i.e., 25% of the PAGA Amount, to be distributed to PAGA Employees
6 on a *pro rata* basis based on their PAGA Pay Periods. .

7 z. “PAGA Period” means the period from September 25, 2022, until the date of
8 the Court’s order granting preliminary approval of the Settlement Agreement.

9 aa. “PAGA Settlement” means the settlement and resolution of all Released PAGA
10 Claims.

11 bb. “PAGA Pay Periods” means the number of pay periods each PAGA Employee
12 worked for Defendant as an hourly-paid or non-exempt employee in California during the PAGA
13 Period.

14 cc. “Preliminary Approval” means the date on which the Court enters the
15 Preliminary Approval Order.

16 dd. “Preliminary Approval Order” means the order granting preliminary approval
17 of the Settlement, in a form and content mutually agreed to by the Parties, and subject to approval by
18 the Court.

19 ee. “Released Class Claims” means any and all claims, debts, liabilities, demands,
20 obligations, guarantees, costs, expenses, attorneys’ fees, damages, or causes of action which were
21 alleged or which could have been alleged based on the factual allegations in the Operative Complaint,
22 arising during the Class Period, under any federal, state, or local law, and shall specifically include
23 claims for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal
24 and rest periods and associated premium payments, timely pay wages during employment and upon
25 termination, provide complaint wage statements, maintain complete and accurate payroll records, and
26 reimburse necessary business-related expenses in violation of California Labor Code Sections 201,
27 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and
28 Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Order 5-2001, and all claims

1 for attorneys' fees and costs and statutory interest in connection therewith, California Business and
2 Professions Code sections 17200, *et seq.*, and any other claims, including claims for statutory
3 penalties, pertaining to the Class Members.

4 ff. "Released PAGA Claims" means any and all claims arising from any of the
5 factual allegations in the PAGA Letter, arising during the PAGA Period, for civil penalties under the
6 Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*, including all
7 claims for attorneys' fees and costs related thereto, for Defendant's alleged failure to pay overtime
8 and minimum wages, provide compliant meal and rest periods and associated premium payments,
9 timely pay wages during employment and upon termination, provide complaint wage statements,
10 maintain complete and accurate payroll records, and reimburse necessary business-related expenses
11 in violation of California Labor Code Sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d),
12 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission Wage Orders,
13 including *inter alia*, Wage Order 5-2001.

14 gg. "Released Parties" means Defendant and its current and former employees,
15 officers, directors, owners, attorneys, members, insurers, shareholders, subsidiaries, affiliates,
16 predecessors, successors, and assigns.

17 hh. "Request for Exclusion" means a letter submitted by a Class Member indicating
18 a request to be excluded from the Class Settlement, which must: (a) contain the case name and number
19 of the Krug Action (*Tyler Krug et al. v. EKC Enterprises, Inc.*, Case No. BCV-23-103975); (b) contain
20 the Class Member's full name, signature, address, telephone number, and last four (4) digits of the
21 Class Member's Social Security number; (c) clearly state that the Class Member does not wish to be
22 included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the
23 specified address, postmarked on or before the Response Deadline.

24 ii. "Response Deadline" means the deadline by which Class Members must submit
25 a Request for Exclusion, Notice of Objection, and/or Workweeks Dispute, which shall be the date that
26 is forty-five (45) calendar days from the initial mailing of the Class Notice by the Settlement
27 Administrator to Class Members, unless the 45th day falls on a Sunday or Federal holiday, in which
28 case the Response Deadline will be extended to the next day on which the United States Postal service

is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defendant's Counsel. Under no circumstances, however, will the Settlement Administrator have the authority to extend the Response Deadline. In the event that a Class Notice is re-mailed to a Class Member, the Response Deadline for that Class Member shall be extended fifteen (15) calendar days from the original Response Deadline.

jj. “Settlement Administrator” means APEX Class Action, LLC, or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for purposes of administering the Settlement. The Parties and their counsel each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

kk. “Settlement Administration Costs” means the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering the Settlement, as set forth in Paragraph 18.

II. “Settlement Class” or “Settlement Class Member(s)” means all Class Members who do not submit a timely and valid Request for Exclusion.

mm. “Workweeks” means the number of weeks each Class Member worked for Defendant as an hourly-paid or non-exempt employee in California during the Class Period.

nn. “Workweeks Dispute” means a letter submitted by a Class Member disputing the number of Workweeks and/or PAGA Pay Periods to which they have been credited, which must:

(a) contain the case name and number of the Krug Action (*Tyler Krug et al. v. EKC Enterprises, Inc.*, Case No. BCV-23-103975); (b) contain the Class Member’s full name, signature, address, telephone number, and the last four (4) digits of the Class Member’s Social Security number; (c) clearly state that the Class Member disputes the number of Workweeks and/or PAGA Pay Periods credited to the Class Member and what the Class Member contends is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

CLASS CERTIFICATION

13. For the purposes of this Settlement only, the Parties stipulate to the certification of the

1 Class.

2 14. The Parties agree that certification for the purpose of settlement is not an admission
3 that certification is proper under Section 382 of the California Code of Civil Procedure. Should, for
4 whatever reason, the Court not grant Final Approval, the Parties' stipulation to class certification as
5 part of the Settlement shall become null and void ab initio and shall have no bearing on, and shall not
6 be admissible in connection with, the issue of whether or not certification would be inappropriate in a
7 non-settlement context.

8 **TERMS OF THE AGREEMENT**

9 NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set
10 forth herein, the Parties agree, subject to the Court's approval, as follows:

11 15. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application
12 or motion by Class Counsel for attorneys' fees in the amount up to thirty-five percent (35%) of the
13 Gross Settlement Amount (i.e., \$525,000 if the Gross Settlement Amount is \$1,500,00.00) and
14 reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement
15 of the Actions, in an amount not to exceed thirty three thousand dollars and zero cents (\$33,000.00),
16 both of which will be paid from the Gross Settlement Amount. These amounts will cover any and all
17 work performed and any and all costs incurred by Class Counsel in connection with the litigation of
18 the Actions, including without limitation all work performed and costs incurred to date, and all work
19 to be performed and all costs to be incurred in connection with obtaining the Court's approval of this
20 Settlement Agreement, including any objections raised and any appeals necessitated by those
21 objections. Class Counsel shall be solely and legally responsible for correctly characterizing this
22 compensation for tax purposes and for paying any taxes on the amounts received. The Settlement
23 Administrator shall issue an IRS Form 1099 to Class Counsel for the Attorneys' Fees and Costs. Any
24 portion of the requested Attorneys' Fees and Costs that is not awarded by the Court to Class Counsel
25 shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

26 16. Enhancement Payment. Defendant agrees not to oppose or impede any application or
27 motion by Plaintiffs for an Enhancement Payment in the amount up to seven thousand and five hundred
28 dollars and zero cents (\$7,500.00) for each of the three Plaintiffs, which amounts to \$22,500

collectively. The Enhancement Payment, which will be paid from the Gross Settlement Amount, subject to Court approval, will be in addition to Plaintiffs' Individual Settlement Payment as a Settlement Class Members and Individual PAGA Payment as a PAGA Employees. Plaintiffs shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiffs for the Enhancement Payment. Any portion of the requested Enhancement Payment that is not awarded by the Court to Plaintiffs shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

17. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of one hundred thousand dollars and zero cents (\$100,000.00) shall be allocated from the Gross Settlement Amount toward penalties under the Private Attorneys General Act, California Labor Code Section 2698, *et seq.* (i.e., the PAGA Amount), of which seventy-five percent (75%), or \$75,000, will be paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%), or \$25,000, will be distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on the total number of PAGA Pay Periods worked by each PAGA Employee during the PAGA Period (i.e., the Individual PAGA Payments).

18. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments under the Settlement, which is currently not to exceed fourteen thousand dollars and zero cents (\$14,000.00). These costs, which will be paid from the Gross Settlement Amount, subject to Court approval, will include, *inter alia*, printing, distributing, and tracking Class Notices and other documents for the Settlement, calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and remittances, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process the Settlement, and as requested by the Parties. To the extent the actual Settlement Administrator's costs are greater than the estimated amount stated herein, such excess amount will be deducted from the Gross Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement

1 Administrator to undertake the required settlement administration duties shall be reallocated to the Net
2 Settlement Amount for the benefit of the Settlement Class Members.

3 19. Escalator Clause. Defendant has represented that from November 28, 2019, until
4 October 15, 2024 (date of mediation) 612 Class Members worked a total of 47,245 Workweeks. If it
5 is determined by the Settlement Administrator that the total number of Workweeks worked by the
6 Class Members during the Class Period actually exceeds 47,245 by more than 10% (i.e., by more than
7 51,969 Workweeks), then Defendant shall have the exclusive right to either choose to: (1) cut off the
8 end date for the Class Period as of the date on which the number of workweeks reaches 5, or (2)
9 increase the GFV on a proportional basis equal to the percentage increase in number of workweeks
10 worked by the Class Members above the 10% (i.e., if there was an 11% increase in the number
11 workweeks during the Class Period, Defendant would agree to increase the GFV by 1%).

12 20. Individual Settlement Share Calculations. Individual Settlement Shares will be
13 calculated and apportioned from the Net Settlement Amount based on the Class Members' number of
14 Workweeks, as follows:

15 a. After Preliminary Approval, the Settlement Administrator will divide the Net
16 Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek
17 Value," and multiply each Class Member's individual Workweeks by the Estimated Workweek Value
18 to yield each Class Member's estimated Individual Settlement Share that each Class Member may be
19 entitled to receive under the Class Settlement.

20 b. After Final Approval, the Settlement Administrator will divide the final Net
21 Settlement Amount by the Workweeks of all Settlement Class Members to yield the "Final Workweek
22 Value," and multiply each Settlement Class Member's individual Workweeks by the Final Workweek
23 Value to each Settlement Class Member's final Individual Settlement Share.

24 21. Individual PAGA Payment Calculations. Individual PAGA Payments will be
25 calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees'
26 number of PAGA Pay Periods, as follows: The Settlement Administrator will divide the PAGA
27 Employee Amount, i.e., 25% of the PAGA Amount, by the PAGA Pay Periods of all PAGA
28 Employees to yield the "PAGA Pay Period Value," and multiply each PAGA Employee's individual

1 PAGA Pay Periods by the PAGA Pay Period Value to yield each PAGA Employee's Individual
2 PAGA Payment.

3 22. Tax Treatment of Individual Settlement Shares and Individual PAGA Payments. Each
4 Individual Settlement Share will be allocated as follows: ten percent (10%) wages and ninety percent
5 (90%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on
6 an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be
7 reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The Settlement
8 Administrator will withhold the employee's share of taxes and withholdings with respect to the wages
9 portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their
10 Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes
11 and withholdings). The Employer Taxes will be paid separately and in addition to the Gross
12 Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%)
13 penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

14 23. Administration of Taxes by the Settlement Administrator. The Settlement
15 Administrator will be responsible for issuing to Plaintiffs, Settlement Class Members, PAGA
16 Employees, and Class Counsel any tax forms (i.e., IRS Forms W-2, IRS Forms 1099, etc.) as may be
17 required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement
18 Administrator will also be responsible for calculating the Employer Taxes and forwarding all payroll
19 taxes and other legally required withholdings to the appropriate government authorities.

20 24. Tax Liability. Plaintiffs, Class Counsel, Defendant, and Defendant's Counsel do not
21 intend anything contained in this Settlement Agreement to constitute advice regarding taxes or
22 taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiffs, Settlement
23 Class Members, and PAGA Employees are not relying on any statement, representation, or calculation
24 by Defendant, the Settlement Administrator, or Class Counsel in this regard. Plaintiffs, Settlement
25 Class Members, and PAGA Employees understand and agree that Plaintiffs, Settlement Class
26 Members, and PAGA Employees will be solely responsible for the payment of any taxes and penalties
27 assessed on the payments described in this Settlement Agreement. Plaintiffs, Settlement Class
28 Members, and PAGA Employees should consult with their tax advisors concerning the tax

1 consequences of any payment they receive under the Settlement.

2 25. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT
3 (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY
4 TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN
5 “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
6 SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE
7 BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS
8 OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
9 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE
10 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART
11 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY
12 UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE
13 (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B)
14 HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE
15 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
16 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
17 DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY
18 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
19 ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT
20 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISOR’S TAX
21 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING)
22 UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR
23 TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION
24 CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

25 26. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the
26 Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually
27 are issued to the payee. It is expressly understood and agreed that payments made under this
28 Settlement shall not in any way entitle Plaintiffs, Settlement Class Members, or any PAGA Employee

1 to additional compensation or benefits under any new or additional compensation or benefits, or any
2 bonus, contest, or other compensation or benefit plan or agreement in place during the Class Period,
3 nor will it entitle Plaintiffs, Settlement Class Members, or any PAGA Employee to any increased
4 retirement, 401K benefits or matching benefits, or deferred compensation benefits (notwithstanding
5 any contrary language or agreement in any benefit or compensation plan document that might have
6 been in effect during the Class Period).

7 27. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.

8 Upon execution of this Settlement Agreement, Plaintiffs will obtain a hearing date from the Court for
9 Plaintiffs' motion for preliminary approval of the Settlement, which Plaintiffs and Class Counsel will
10 be responsible for drafting, and submit this Settlement Agreement to the Court in support of said
11 motion. Class Counsel will provide Defendant's Counsel a draft of the preliminary approval motion
12 before filing it with the Court. Defendant agrees not to oppose the motion for preliminary approval
13 of the Settlement consistent with this Settlement Agreement. By way of said motion, Plaintiffs will
14 apply for the entry of the Preliminary Approval Order seeking the following:

- 15 a. Conditionally certifying the Class for settlement purposes only;
- 16 b. Granting Preliminary Approval of the Settlement;
- 17 c. Preliminarily appointing Plaintiffs as the representatives of the Class;
- 18 d. Preliminarily appointing Class Counsel as counsel for the Class;
- 19 e. Approving as to form and content, the mutually-agreed upon and proposed
20 Class Notice and directing its mailing by First Class U.S. Mail;
- 21 f. Approving the manner and method for Class Members to request exclusion
22 from or object to the Class Settlement as contained herein and within the Class Notice;
- 23 g. Scheduling a Final Approval Hearing at which the Court will determine whether
24 Final Approval of the Settlement should be granted.

25 28. Notice of Settlement to the LWDA. Pursuant to California Labor Code § 2699(1)(2),
26 Class Counsel shall notify the LWDA of the Settlement upon filing the motion for preliminary
27 approval of the Settlement.

28 29. Delivery of Class List. Within twenty-one (21) calendar days of Preliminary Approval,

1 Defendant will provide the Class List to the Settlement Administrator.

2 30. Notice by First-Class U.S. Mail.

3 a. Within seven (7) calendar days after receiving the Class List from Defendant,
4 the Settlement Administrator will perform a search based on the National Change of Address Database
5 or any other similar services available, such as provided by Experian, for information to update and
6 correct for any known or identifiable address changes, and will mail a Class Notice in English (in the
7 form attached as **Exhibit A** to this Settlement Agreement) to all Class Members via First-Class U.S.
8 Mail, using the most current, known mailing addresses identified by the Settlement Administrator.

9 b. Any Class Notice returned to the Settlement Administrator as undeliverable on
10 or before the Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding
11 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on
12 the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly
13 attempt to determine the correct address using a skip-trace or other search, using the name, address,
14 and/or Social Security number of the Class Member, and perform a single re-mailing within five (5)
15 calendar days.

16 c. Compliance with the procedures described herein above shall constitute due and
17 sufficient notice to Class Members of the Settlement and shall satisfy the requirements of due process.
18 Nothing else shall be required of or done by the Parties, Class Counsel, or Defendant's Counsel to
19 provide notice of the Settlement.

20 31. Disputes Regarding Workweeks and/or PAGA Pay Periods. Class Members will have
21 an opportunity to dispute the number of Workweeks and/or PAGA Pay Periods to which they have
22 been credited, as reflected in their respective Class Notices, by submitting a timely and valid
23 Workweeks Dispute to the Settlement Administrator, by mail, postmarked on or before the Response
24 Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to
25 determine whether a Workweeks Dispute has been timely submitted. Absent evidence rebutting the
26 accuracy of Defendant's records and data as they pertain to the number of Workweeks and/or PAGA
27 Pay Periods to be credited to a disputing Class Member, Defendant's records will be presumed to be
28 correct and determinative of the dispute. However, if a Class Member produces information and/or

documents to the contrary, the Settlement Administrator will evaluate the materials submitted by the Class Member and the Settlement Administrator will resolve and determine the number of eligible Workweeks and/or PAGA Pay Periods that the disputing Class Member should be credited with under the Settlement. The Settlement Administrator's decision on such disputes will be final and non-appealable.

32. Requesting Exclusion from the Class Settlement. Any Class Member wishing to be excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel the number of timely and valid Requests for Exclusion that are submitted, and also identify the individuals who have submitted a timely and valid Request for Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to request exclusion from the Class Settlement. Any Class Member who submits a Request for Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will not be issued an Individual Settlement Payment. Any Class Member who does not affirmatively request exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion will be bound by all of the terms of the Class Settlement, including and not limited to those pertaining to the Released Class Claims, as well as any judgment that may be entered by the Court if it grants Final Approval to the Settlement. Notwithstanding the above, all PAGA Employees will be bound to the PAGA Settlement and will be issued their Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

33. Objecting to the Class Settlement. To object to the Class Settlement, Settlement Class Members must submit a timely and complete Notice of Objection to the Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Notice of Objection has been timely

submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel the number of Notices of Objection that are submitted (specifying which ones were timely and complete and which were not), and also attach them to a declaration that is to be filed with the Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class Members to object to the Class Settlement or appeal from the Final Approval Order and Judgment. Settlement Class Members, individually or through counsel, may also present their objection orally at the Final Approval Hearing, regardless of whether they have submitted a Notice of Objection.

34. Reports by the Settlement Administrator. The Settlement Administrator shall provide weekly reports to counsel for the Parties providing: (a) the number of undeliverable and re-mailed Class Notices; (ii) the number of Class Members who have submitted Workweeks Disputes; (iii) the number of Class Members who have submitted Requests for Exclusion; and (iv) the number of Settlement Class Members who have submitted Notices of Objection. Additionally, the Settlement Administrator will provide to counsel for the Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested, and immediately notify the Parties when it receives a request from an individual or any other entity regarding inclusion in the Class and/or Settlement or regarding a Workweeks Dispute.

35. Defendant's Right to Rescind. If more than ten percent (10%) of the Class Members submit timely and valid Requests for Exclusion, Defendant may elect to rescind the Settlement Agreement. Defendant must exercise this right of rescission in writing that is provided to Class Counsel within fourteen (14) calendar days of the Settlement Administrator notifying the Parties of the number of Class Members who have submitted timely and valid Requests for Exclusion following the Response Deadline. If Defendant exercises this option, Defendant shall pay any costs of settlement administration owed to the Settlement Administrator incurred up to that date.

36. Certification of Completion. Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

37. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After

1 the Response Deadline, a Final Approval Hearing will be conducted to determine whether Final
2 Approval of the Settlement should be granted, along with the amounts properly payable for: (a)
3 Individual Settlement Shares; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys'
4 Fees and Costs; (e) Enhancement Payment; and (f) Settlement Administration Costs. The Final
5 Approval Hearing will not be held earlier than thirty (30) calendar days after the Response Deadline.
6 Plaintiffs and Class Counsel will be responsible for drafting the motion seeking Final Approval of the
7 Settlement. Class Counsel will provide Defendant's Counsel a draft of the final approval motion
8 before filing it with the Court. By way of said motion, Plaintiffs will apply for the entry of the Final
9 Approval Order and Judgment, which will provide for, in substantial part, the following:

- 10 a. Approval of the Settlement as fair, reasonable, and adequate, and directing
11 consummation of its terms and provisions;
- 12 b. Certification of the Settlement Class;
- 13 c. Approval of the application for Attorneys' Fees and Costs to Class Counsel;
- 14 d. Approval of the application for Enhancement Payment to Plaintiffs;
- 15 e. Directing Defendant to fund all amounts due under the Settlement Agreement
16 and ordered by the Court; and
- 17 f. Entering judgment in the Krug Action, while maintaining continuing
18 jurisdiction, in conformity with California Rules of Court 3.769 and the Settlement Agreement.

19 38. Funding of the Gross Settlement Amount. No later than thirty (30) calendar days after
20 the Effective Date, Defendant will deposit half of the Gross Settlement Amount (i.e. \$750,000 if the
21 Gross Settlement Amount is \$1,500,000) into a Qualified Settlement Fund ("QSF") within the
22 meaning of Treasury Regulation Section 1.468B-1, *et seq.*, to be established by the Settlement
23 Administrator. Defendant shall provide all information necessary for the Settlement Administrator to
24 calculate necessary payroll taxes including its official name, 8-digit state unemployment insurance tax
25 ID number, and other information requested by the Settlement Administrator, no later than thirty (30)
26 calendar days after the Effective Date. Defendant will deposit the remaining half of the Gross
27 Settlement Amount, in four (4) equal but separate payments on the following dates so that the QSF
28 will be fully funded no later than November 12, 2026: i) November 11, 2025; ii) March 11, 2026; iii)
July 10, 2026; and iv) November 11, 2026.

1 39. Distribution of the Gross Settlement Amount. Within five (5) business days of the
2 funding of the first half Gross Settlement Amount, the Settlement Administrator will issue half of the
3 Individual Settlement Payments to Settlement Class Members, half of the Individual PAGA Payments
4 to PAGA Employees, half of the LWDA Payment to the LWDA, half of the Enhancement Payment
5 to Plaintiffs, half of the Attorneys' Fees and Costs to Class Counsel, and half of the Settlement
6 Administration Costs to itself.

7 Within five (5) business days of the funding of the last deposit of the Gross Settlement Amount,
8 the Settlement Administrator will issue the remaining half of the Individual Settlement Payments to
9 Settlement Class Members, the remaining half of the Individual PAGA Payments to PAGA
10 Employees, the remaining half of the LWDA Payment to the LWDA, the remaining half of the
11 Enhancement Payment to Plaintiffs, the remaining half of the Attorneys' Fees and Costs to Class
12 Counsel, and the remaining half of Settlement Administration Costs to itself.

13 The Settlement Administrator shall also set aside the Employer Taxes and all employee-side
14 payroll taxes, contributions, and withholding, and timely forward these to the appropriate government
15 authorities.

16 40. Settlement Checks. The Settlement Administrator will be responsible for undertaking
17 appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way
18 of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the
19 PAGA Employees in accordance with this Settlement Agreement. When issuing payments, the
20 Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA
21 Payment into one check if the intended recipient for both payments is one individual. Settlement Class
22 Members and PAGA Employees are not required to submit a claim to be issued an Individual
23 Settlement Payment and/or Individual PAGA Payment. Each Individual Settlement Payment and
24 Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180)
25 calendar days from the date the checks are issued, and thereafter, shall be canceled. Any funds
26 associated with such canceled checks shall be distributed by the Settlement Administrator to the State
27 of California's Unclaimed Property Fund in the name of the Settlement Class Member and/or PAGA
28 Employee. If the Court requires a cy pres, then the Parties shall designate the Central California Food

1 Bank or other agreed-upon charity acceptable to the Court. The Parties agree that this disposition
2 results in no “unpaid residue” under California Civil Procedure Code § 384, as the entire Net
3 Settlement Amount will be paid out to Settlement Class Members, whether or not they cash their
4 settlement checks. Therefore, Defendant will not be required to pay any interest on such amounts.
5 The Settlement Administrator shall undertake amended and/or supplemental tax filings and reporting
6 required under applicable local, state, and federal tax laws that are necessitated due to the cancelation
7 of any Individual Settlement Payment and/or Individual PAGA Payment checks. Settlement Class
8 Members whose Individual Settlement Payment checks are canceled shall, nevertheless, be bound by
9 the Class Settlement, and PAGA Employees whose Individual PAGA Payment checks are canceled
10 shall, nevertheless, be bound by the PAGA Settlement.

11 41. Class Settlement Release. Upon the Effective Date and full funding of the Gross
12 Settlement Amount, Plaintiffs and all Settlement Class Members will be deemed to have fully, finally,
13 and forever released, settled, compromised, relinquished, and discharged the Released Parties of all
14 Released Class Claims.

15 42. PAGA Settlement Release. Upon the Effective Date and full funding of the Gross
16 Settlement Amount, Plaintiffs, the State of California with respect to all PAGA Employees, and all
17 PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised,
18 relinquished, and discharged the Released Parties of all Released PAGA Claims.

19 43. Plaintiffs’ General Release. Upon the Effective Date and full funding of the Gross
20 Settlement Amount, Plaintiffs, individually and on their own behalf, will be deemed to have fully,
21 finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties
22 from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’
23 fees, damages, or causes of action of any kind or nature whatsoever, known or unknown, suspected or
24 unsuspected, asserted or unasserted, which Plaintiffs, at any time of execution of this Settlement
25 Agreement, had or claimed to have or may have, including but not limited to any and all claims arising
26 out of, relating to, or resulting from their employment and/or separation of employment with the
27 Released Parties, including any claims arising under any federal, state, or local law, statute, ordinance,
28 rule, or regulation or Executive Order relating to employment, including, but in no way limited to, any

1 claim under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 1981; the Americans
2 with Disabilities Act; the Family and Medical Leave Act; the Employee Retirement Income Security
3 Act; the California Family Rights Act; the California Fair Employment and Housing Act; all claims
4 for wages or penalties under the Fair Labor Standards Act; all claims for wages or penalties under the
5 California Labor Code; Business and Professions Code sections 17200 *et seq.*; all laws relating to
6 violation of public policy, retaliation, or interference with legal rights; any and all other employment
7 or discrimination laws; whistleblower claims; any tort, fraud, or constitutional claims; and any breach
8 of contract claims or claims of promissory estoppel. It is agreed that this is a general release and is to
9 be broadly construed as a release of all claims, provided that, notwithstanding the foregoing, this
10 Paragraph expressly does not include a release of any claims that cannot be released hereunder by law.
11 Plaintiffs understand and expressly agree that this Settlement Agreement extends to claims that they
12 have against Defendant, of whatever nature and kind, known or unknown, suspected or unsuspected,
13 vested or contingent, past, present, or future, arising from or attributable to an incident or event,
14 occurring in whole or in part, on or before the execution of this Settlement Agreement. Any and all
15 rights granted under any state or federal law or regulation limiting the effect of this Settlement
16 Agreement, including the provisions of Section 1542 of the California Civil Code, ARE HEREBY
17 EXPRESSLY WAIVED. Section 1542 of the California Civil Code reads as follows:

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

23 44. Final Approval Order and Judgment. The Parties shall provide the Settlement
24 Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court,
25 and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for
26 sixty (60) calendar days. No individualized notice of the Final Approval Order and Judgment to the
27 Class will be required.

28 45. Continued Jurisdiction. After entry of the judgment pursuant to the Settlement, the

1 Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and
2 Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the
3 interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters,
4 and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this
5 Settlement Agreement.

6 46. Effects of Termination or Rescission of Settlement. Termination or rescission of the
7 Settlement Agreement shall have the following effects:

8 a. The Settlement Agreement shall be void and shall have no force or effect, and
9 no Party shall be bound by any of its terms;

10 b. In the event the Settlement Agreement is terminated, Defendant shall have no
11 obligation to make any payments to any Party, Class Member, or attorney, except that the terminating
12 Party shall pay the Settlement Administrator for services rendered up to the date the Settlement
13 Administrator is notified that the Settlement has been terminated;

14 c. The Preliminary Approval Order, Final Approval Order and Judgment,
15 including any order certifying the Class, shall be vacated;

16 d. The Settlement Agreement and all negotiations, statements, and proceedings
17 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be
18 restored to their respective positions in the Actions prior to the execution of the Settlement Agreement;

19 e. Neither this Settlement Agreement, nor any ancillary documents, actions,
20 statements, or filings in furtherance of the Settlement (including all matters associated with the
21 mediation) shall be admissible or offered into evidence in the Actions or any other action for any
22 purpose whatsoever; and

23 f. Any documents generated to bring the Settlement into effect, will be null and
24 void, and any order or judgment entered by the Court in furtherance of this Settlement Agreement will
25 likewise be treated as void from the beginning.

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

1 of action or right herein released and discharged.

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

5 49. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the
6 entirety of the Parties' agreement relating to the settlement and transaction completed thereby, and all
7 prior or contemporaneous agreements, understandings, representations, and statements, whether oral
8 or written and whether by a Party or such Party's legal counsel, are merged herein. No other prior or
9 contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties
10 expressly recognize California Civil Code § 1625 and California Code of Civil Procedure § 1856(a),
11 which provide that a written agreement is to be construed according to its terms and may not be varied
12 or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written
13 representations or terms will modify, vary, or contradict the terms of this Settlement Agreement.

14 50. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in
15 the Actions (including with respect to California Code of Civil Procedure § 583.310), except such
16 proceedings necessary to implement and complete this Settlement Agreement, pending the Final
17 Approval Hearing to be conducted by the Court.

18 51. Amendment or Modification. Prior to the filing of the motion for preliminary approval
19 of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement
20 except by written agreement signed by counsel for all Parties. After the filing of the motion for
21 preliminary approval of the Settlement, the Parties may not amend or modify any provision of this
22 Settlement Agreement except by written agreement signed by counsel for all the Parties and subject
23 to Court approval. A waiver or amendment of any provision of this Settlement Agreement will not
24 constitute a waiver of any other provision.

25 52. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
26 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
27 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
28 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have
full authority to enter into this Settlement Agreement, and further intend that this Settlement

1 Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible
2 and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation
3 confidentiality provisions that otherwise might apply under state or federal law.

4 53. Signatories. It is agreed that because the members of the Class are so numerous, it is
5 impossible or impractical to have each Settlement Class Member or PAGA Employee execute this
6 Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the
7 Class Settlement as to the Settlement Class Members and the binding nature of the PAGA Settlement
8 as to the PAGA Employees, and the releases provided for by this Settlement Agreement shall have
9 the same force and effect as if this Settlement Agreement were executed by each Settlement Class
10 Member and PAGA Employee.

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

13 55. California Law Governs. All terms of this Settlement Agreement and attached exhibits
14 hereto will be governed by and interpreted according to the laws of the State of California.

15 56. Execution and Counterparts. This Settlement Agreement is subject only to the
16 execution of all Parties. However, this Settlement Agreement may be executed in one or more
17 counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned
18 copies of the signature page, will be deemed to be one and the same instrument.

19 57. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
20 Settlement Agreement is a fair, adequate, and reasonable settlement of the Actions and have arrived
21 at this Settlement after arm's length negotiations and in the context of adversarial litigation, taking
22 into account all relevant factors, present and potential. The Parties further acknowledge that they are
23 each represented by competent counsel and that they have had an opportunity to consult with their
24 counsel regarding the fairness and reasonableness of this Settlement Agreement. In addition, if
25 necessary to obtain approval of the Settlement, the Mediator may execute a declaration supporting the
26 Settlement and the reasonableness of the Settlement and the Court may, in its discretion, contact the
27 Mediator to discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

28 58. Invalidity of Any Provision. Before declaring any provision of this Settlement
Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent

possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

59. Plaintiffs' Cooperation. Plaintiffs agree to sign this Settlement Agreement and, by signing this Settlement Agreement, is hereby bound by the terms herein and agrees to fully cooperate to implement the Settlement.

60. Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and specifically denies, it has violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.

61. Captions. The captions and paragraph numbers in this Settlement Agreement are inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope or intent of the provisions of this Settlement Agreement.

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

1 63. Representation By Counsel. The Parties acknowledge that they have been represented
2 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and
3 that this Settlement Agreement has been executed with the consent and advice of counsel, and
4 reviewed in full.

5 64. All Terms Subject to Final Court Approval. All amounts and procedures described in
6 this Settlement Agreement herein will be subject to final Court approval.

7 65. Notices. All notices, demands, and other communications to be provided concerning
8 the Settlement Agreement shall be in writing and deemed to have been duly given as of the third
9 business day after mailing by First Class U.S. Mail, or the day sent by email or messenger, addressed
10 as follows:

11 To Plaintiffs and Class Counsel:

12 Jonathan M. Genish
13 (jgenish@blackstonepc.com)

14 Karen I. Gold
15 (kgold@blackstonepc.com)

16 Marissa A. Mayhood
17 (mmayhood@blackstonepc.com)

18 **Blackstone Law, APC**
19 8383 Wilshire Boulevard, Suite 745
20 Beverly Hills, California 90211
21 Tel: (310) 622-4278

22 Mehrdad Bokhour
23 (mehrdad@bokhourlaw.com)

24 **Bokhour Law Group, P.C.**
25 1901 Avenue of the Stars, Suite 450
26 Los Angeles, California 90067
27 Tel: (310) 975-1493

28 Joshua Falakassa
29 (josh@falakassalaw.com)

30 **Falakassa Law, P.C.**
31 1901 Avenue of the Stars, Suite 450
32 Los Angeles, California 90067
33 Tel: (818) 456-6168

34 To Defendant:

35 Ian Wieland
36 (Ian@sw2law.com)

37 David Litman
38 (david@sw2law.com)

Sagaser, Watkins & Wieland, P.C.
5260 N. Palm Ave., Suite 400
Fresno, California 93301
Tel: (559) 421-7000

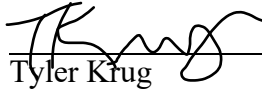
66. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiffs and Defendant:

IT IS SO AGREED.

PLAINTIFF TYLER KRUG

Dated: 02/27/2025


Tyler Krug

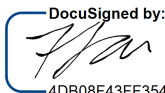
PLAINTIFF FRANCISCO BALBUENA

Dated: 02/27/2025


Francisco Balbuena

PLAINTIFF FERNANDO JARAMILLO

Dated: 2/26/2025

DocuSigned by:

4DB08E43FE35453
Fernando Jaramillo

DEFENDANT EKC ENTERPRISES, INC.

Dated: _____

Full Name: _____

Title: _____
On behalf of Defendant, EKC Enterprises, Inc.

Sagaser, Watkins & Wieland, P.C.
5260 N. Palm Ave., Suite 400
Fresno, California 93301
Tel: (559) 421-7000

66. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiffs and Defendant:

IT IS SO AGREED.

PLAINTIFF TYLER KRUG

Dated: _____

Tyler Krug

PLAINTIFF FRANCISCO BALBUENA

Dated: _____

Francisco Balbuena

PLAINTIFF FERNANDO JARAMILLO

Dated: _____

Fernando Jaramillo

DEFENDANT EKC ENTERPRISES, INC.

Dated: 3-3-25



Full Name: Chris Shafer _____

Title: CEO
On behalf of Defendant, EKC Enterprises, Inc.

1 **APPROVED AS TO FORM ONLY:**

2
3
4 Dated: 2/27/25

BLACKSTONE LAW, APC

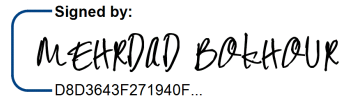


Karen I. Gold

Attorneys for Plaintiffs Tyler Krug & Francisco Balbuena and Proposed Class Counsel

BOKHOUR LAW GROUP, P.C.

5
6
7
8
9 Dated: 2/25/2025

Signed by:

D8D3643F271940F...

Mehrdad Bokhour

Attorneys for Plaintiffs Fernando Jaramillo and Proposed Class Counsel

FALAKASSA LAW, P.C.

10
11
12
13
14
15 Dated: 2/21/2025

DocuSigned by:

15A628B2C5A149C

Joshua Falakassa

Attorneys for Plaintiffs Fernando Jaramillo and Proposed Class Counsel

SAGASER, WATKINS, & WIELAND, P.C.

16
17
18
19
20 Dated: _____

David Litman

Attorneys for Defendant EKC Enterprises, Inc.

21
22
23
24
25
26
27
28

1 **APPROVED AS TO FORM ONLY:**

2 **BLACKSTONE LAW, APC**

3
4 Dated: _____

Karen I. Gold

*Attorneys for Plaintiffs Tyler Krug & Francisco
Balbuena and Proposed Class Counsel*

7 **BOKHOUR LAW GROUP, P.C.**

8
9 Dated: _____

Mehrdad Bokhour

*Attorneys for Plaintiffs Fernando Jaramillo
and Proposed Class Counsel*

13 **FALAKASSA LAW, P.C.**

14
15 Dated: _____

Joshua Falakassa

*Attorneys for Plaintiffs Fernando Jaramillo
and Proposed Class Counsel*

18 **SAGASER, WATKINS, & WIELAND, P.C.**

19
20 Dated: 3-3-2025

David 6 Litman

David Litman

Attorneys for Defendant EKC Enterprises, Inc.

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Tyler Krug et al. v. EKC Entreprises, Inc., Kern Superior Court, Case No. BCV-23-103975 & Fernando Jaramillo v. EKC Entreprises, Inc. et al., Fresno Superior Court, Case No. 23CECG04736

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case(s).

You do not need to take any action to receive a settlement payment.

This Class Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks and/or PAGA Pay Periods that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Tyler Krug, Plaintiff Francisco Balbuena, Fernando Jaramillo ("Plaintiffs") and Defendant EKC Enterprises, Inc. ("Defendant") (Plaintiffs and Defendant are collectively referred to as the "Parties") in the cases titled *Tyler Krug et al. v. EKC Entreprises, Inc.*, Kern County Superior Court, Case No. BCV-23-103975 & *Fernando Jaramillo v. EKC Entreprises, Inc. et al.*, Fresno Superior Court, Case No. 23CECG04736 ("Actions"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" or "Class Member" means all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California at any time during the Class Period.

"Class Period" means the period from November 28, 2019, until the date of the Court's order granting preliminary approval of the Settlement Agreement, subject to paragraph 19 of the Settlement Agreement.

"Class Settlement" means the settlement and resolution of all Released Class Claims.

"PAGA Employees" means 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 Period.

"PAGA Period" means the period from September 25, 2022, until the date of the Court's order granting preliminary approval of the Settlement Agreement.

"PAGA Settlement" means the settlement and resolution of all Released PAGA Claims.

II. BACKGROUND OF THE ACTIONS

On September 25, 2023, and November 15, 2023, Plaintiff Fernando Jaramillo and Plaintiffs Tyler Krug and Francisco Balbuena, respectively, provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendant of the specific provisions of the California Labor Code that Plaintiffs contend were violated ("PAGA Letters"). On November 14, 2023, Plaintiff Fernando Jaramillo commenced a putative class action lawsuit by filing a Class Action Complaint in the Fresno County Superior Court, Case No. 23CECG04736 ("Jaramillo Action"). On November 28, 2023, Plaintiffs Tyler Krug and Francisco Balbuena commenced a putative class action lawsuit by filing a Class Action Complaint for Damages in the Kern County Superior Court, Case No. BCV-23-103975 ("Krug Action" collectively with "Jaramillo Action" are referred to collectively hereinafter as "Actions"). On January 18, 2024, Plaintiffs Tyler Krug and Francisco Balbuena filed a First Amended Class And Representative Action Complaint, adding a cause of action under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, *et seq.* ("PAGA"). On February 20, 2025, Plaintiffs filed a Second Amended Class and Representative Action Complaint, adding Plaintiff Fernando Jaramillo.

Plaintiffs contend that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages upon termination of employment and associated waiting-time penalties, provide accurate wage statements, and reimburse business expenses, and thereby engaged in unfair business practices in violation of the California Business and Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under PAGA. Plaintiffs seek, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Defendant denies all of the allegations in the Actions or that it violated any law.

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into a Joint Stipulation of Class Action and PAGA Settlement ("Settlement" or "Settlement Agreement").

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed APEX Class Action, LLC as the administrator of the Settlement ("Settlement Administrator"), Plaintiffs Tyler Krug, Francisco Balbuena, and Fernando Jaramillo as representatives of the Class ("Class Representatives"), and the following Plaintiffs' attorneys as counsel for the Class ("Class Counsel"):

Jonathan M. Genish
Karen I. Gold
Marissa A. Mayhood
Blackstone Law, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

Mehrdad Bokhour
Bokhour Law Group, P.C.
1901 Avenue of the Stars, Suite 450
Los Angeles, California 90067
Tel: (310) 975-1493 / Fax: (310) 675-0861

Joshua Falakassa
Falakassa Law, P.C.
1901 Avenue of the Stars, Suite 450
Los Angeles, California 90067
Tel: (818) 456-6168

If you are a Class Member, you need not take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks and/or PAGA Pay Periods credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Employee, you do not need to take any action to receive an Individual PAGA Payment; you will not have the opportunity to object or seek exclusion from the PAGA Settlement and all PAGA Employees will be bound to the PAGA Settlement if the Court grants final approval of the Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Actions have merit or that Defendant has any liability to Plaintiffs, Class Members, or PAGA Employees. Plaintiffs and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, the State of California, and PAGA Employees.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is one million and five hundred thousand dollars and zero cents (\$1,500,000.00) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees, in an amount not to thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$525,000 if the Gross Settlement Amount is \$1,500,00.00), and reimbursement of litigation costs and expenses, in an amount not to exceed thirty three thousand dollars and zero cents (\$33,000.00) to Class Counsel; (2) Enhancement Payment in an amount not to exceed seven thousand and five hundred dollars and zero cents (\$7,500.00) for each of the three Plaintiffs, which amounts to \$22,500 collectively for their services in the Actions; (3) the amount of one hundred thousand dollars and zero cents (\$100,000.00) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Amount”), of which the LWDA will be paid 75% (\$75,000) (“LWDA Payment”) and the remaining 25% (\$25,000) will be distributed to PAGA Employees (“PAGA Employee Amount”); and (4) Settlement Administration Costs in an amount not to exceed fourteen thousand dollars and zero cents (\$14,000.00) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) calculated according to the number of Workweeks worked during the Class Period. (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield an estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion (“Settlement Class Members”) will be issued their final Individual Settlement Payment.

Each Individual Settlement Share will be allocated as twenty percent (20%) as wages, which will be reported on an IRS Form W-2, and eighty percent (80%) as penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Settlement Shares resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”). The employer’s share of taxes and contributions in connection with the wages portion of Individual Settlement Shares (“Employer Taxes”) will be paid by Defendant separately and in addition to the Gross Settlement Amount.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Amount (“Individual PAGA Payment”) based on calculated according to the number of Pay Periods worked during the PAGA Period (“PAGA Pay Periods”). The Settlement Administrator had divided the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the PAGA Pay Periods of all PAGA Employees to yield the “PAGA Pay Period Value,” and multiplied each PAGA Employee’s individual PAGA Pay Periods by the PAGA Pay Period Value to yield each PAGA Employee’s Individual PAGA Payment.

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or withholdings, and will be reported on IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Workweeks and PAGA Pay Periods (if applicable) Based on Defendant’s Records

According to Defendant’s records:

- From [REDACTED] through [REDACTED] (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.

- From [REDACTED] through [REDACTED] (i.e., the PAGA Period), you are credited as having worked [REDACTED] PAGA Pay Periods.

If you wish to dispute the Workweeks and/or PAGA Pay Periods credited to you, you must submit your dispute in writing to the Settlement Administrator (“Workweeks Dispute”). The Workweeks Dispute must: (a) contain the case name and number of the Krug Action (*Tyler Krug et al. v. EKC Enterprises, Inc.*, Case No. BCV-23-103975); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) clearly state that you dispute the number of Workweeks and/or PAGA Pay Periods credited to you and what you contend is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked on or before **[Response Deadline]**.

C. Your Estimated Individual Settlement Share and Individual PAGA Payment (if applicable)

As explained above, your estimated Individual Settlement Share and Individual PAGA Payment (if applicable) is based on the number of Workweeks and PAGA Pay Periods (if applicable) credited to you.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED]. The Individual Settlement Share is subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share and Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower.

D. Release of Claims

Upon the full funding of the Gross Settlement Amount, Plaintiffs and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

Upon the full funding of the Gross Settlement Amount, Plaintiffs, the State of California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

“Released Class Claims” means any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, damages, or causes of action which were alleged or which could have been alleged based on the factual allegations in the Operative Complaint, arising during the Class Period, under any federal, state, or local law, and shall specifically include claims for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages upon termination, provide accurate wage statements, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 226(a), 226.7, 510, 512(a), 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission Wage Orders, and all claims for attorneys’ fees and costs and statutory interest in connection therewith, California Business and Professions Code sections 17200, *et seq.*, and any other claims, including claims for statutory penalties, pertaining to the Class Members.

“Released PAGA Claims” means any and all claims arising from any of the factual allegations in the PAGA Letters, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*, including all claims for attorneys’ fees and costs related thereto, for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide complaint wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission

Wage Orders, including *inter alia*, Wage Order 16-2001.

“Released Parties” means Defendant and its current and former employees, officers, directors, owners, attorneys, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, and assigns.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$525,000 if the Gross Settlement Amount is \$1,500,00.00) and reimbursement of litigation costs and expenses in an amount not to exceed thirty three thousand dollars and zero cents (\$33,000.00) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Actions on behalf of Plaintiffs, Class Members, and PAGA Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Payment to Plaintiffs

Plaintiffs will seek the amount of seven thousand and five hundred dollars and zero cents (\$7,500.00) (“Enhancement Payment”), in recognition of their services in connection with the Actions. The Enhancement Payment will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, it will be paid to Plaintiffs in addition to his Individual Settlement Payment and Individual PAGA Payment that he is entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed fourteen thousand dollars and zero cents (\$14,000.00) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notices of Objection, and Workweeks Disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

H. Distribution of the Gross Settlement Amount

Within five (5) business days of the funding of the first half Gross Settlement Amount, the Settlement Administrator will issue half of the Individual Settlement Payments to Settlement Class Members, half of the Individual PAGA Payments to PAGA Employees, half of the LWDA Payment to the LWDA, half of the Enhancement Payment to Plaintiffs, half of the Attorneys’ Fees and Costs to Class Counsel, and half of the Settlement Administration Costs to itself.

Within five (5) business days of the funding of the last deposit of the Gross Settlement Amount (November 11, 2026), the Settlement Administrator will issue the remaining half of the Individual Settlement Payments to Settlement Class Members, the remaining half of the Individual PAGA Payments to PAGA Employees, the remaining half of the LWDA Payment to the LWDA, the remaining half of the Enhancement Payment to Plaintiffs, the remaining half of the Attorneys’ Fees and Costs to Class Counsel, and the remaining half of Settlement Administration Costs to itself.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Class Settlement and receive money from the Class Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement and if the Court grants final approval of the Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released Class Claims against the Released Parties as described in Section III.D above.

If you are a PAGA Employee and the Court grants final approval of the Settlement, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA

Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims against the Released Parties as described in Section III.D above.

As a Class Member and PAGA Employee (if applicable), you will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Class Settlement

Class Members may request to be excluded from the Class Settlement by submitting a letter ("Request for Exclusion") to the Settlement Administrator, at the following address:

[Settlement Administrator]

[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of the Krug Action (*Tyler Krug et al. v. EKC Enterprises, Inc.*, Case No. BCV-23-103975); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address above, postmarked **on or before** [Response Deadline].

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be issued an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a timely and valid Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. PAGA Employees will be bound to the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

C. Object to the Class Settlement

You can object to the Class Settlement as long as you have not submitted a Request for Exclusion by submitting a written objection ("Notice of Objection") to the Settlement Administrator.

The Notice of Objection must: (a) contain the case name and number of the Krug Action (*Tyler Krug et al. v. EKC Enterprises, Inc.*, Case No. BCV-23-103975); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before** [Response Deadline].

You may also appear at the Final Approval Hearing and present your objection orally, regardless of whether you have submitted a Notice of Objection.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Division H of the Kern County Superior Court, located at 1215 Truxtun Avenue, Bakersfield, California, 93301, on [date], at [time], to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys' Fees and Costs to Class Counsel, Enhancement Payment to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator.

The Final Approval Hearing may be continued without further notice to the Class Members and PAGA Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

At the following website you can find a link to listen in on the Final Approval Hearing and a Zoom link to participate in the courtroom process: <https://www.kern.courts.ca.gov/online-services/remote-court-hearings>.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers, which are on file with the Court.

You may view the Settlement Agreement and other documents filed in the Krug Action on APEX Class Action, LLC's website at [REDACTED]. You can also telephone Class Counsel or the Settlement Administrator using the contact information listed herein. You can also review court documents by registering an account and logging in at <https://odyprodportal.kern.courts.ca.gov/portalprod>, selecting smart search, and searching the case number BCV-23-103975.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.

EXHIBIT 5

Thank you for your Proposed Settlement Submission

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

Fecha Lun 19 May 2025 09:51

Para Karina Hernandez <khernandez@blackstonepc.com>

[External Email].

05/19/2025 09:51:25 AM

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>