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Attorneys for Plaintiff CORINA MARTINEZ,
individually, and on behalf of Aggrieved
Employees pursuant to the California
Private Attorneys General Act

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CRUZ

CORINA MARTINEZ, individually, and on
behalf of Aggrieved Employees pursuant to
the California Private Attorneys General Act,

Plaintiffs,

vs.

STAGNARO BROS. SEAFOOD, INC., a
California corporation; and DOES 1 through 25,
inclusive,

Defendants.

Case No. 24CV00082

*Assigned for all purposes to Hon. Timothy Schmal,
Dept. 10*

**DECLARATION OF JONATHAN M. GENISH
IN SUPPORT OF PLAINTIFF'S MOTION
FOR APPROVAL OF PAGA SETTLEMENT
AND AWARD OF ATTORNEYS' FEES AND
COSTS, GENERAL RELEASE FEE, AND
SETTLEMENT ADMINISTRATION COSTS**

Date: November 27, 2024
Time: 8:30 a.m.
Department: 10

Complaint Filed: January 8, 2024
Trial Date: None Set

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1 Lawyers has regularly honored me as a Southern California Rising Star since 2012.

2 4. In February 2018, I started the law firm of Blackstone Law, APC, representing
3 plaintiffs in individual and representative employment litigation. The firm has grown exponentially
4 over the past six-plus years, now maintaining twenty-two highly pedigreed attorneys working on
5 almost exclusively labor and employment class actions, California Labor Code Private Attorney
6 General Act of 2004 (“PAGA”) cases, and individual matters, with roughly 15% of the firm focused
7 on other complex general litigation matters.

8 5. Blackstone Law, APC has been counsel of record on several class action and PAGA
9 actions that have since been resolved, the most recent of which are as follows:

- 10 • *Michael Bravo v. Michels Pacific Energy, Inc.*, Santa Clara County Superior Court, Case
11 No. 22CV403427, approved as class counsel in final settlement of wage and hour class
12 and PAGA action.
- 13 • *Theresa Bendorf, et al. v. Sea World LLC, et al.*, San Diego County Superior Court, Case
14 No. 37-2021-00034922-CU-OE-CTL, approved as class counsel, in association with
15 other counsel, in final settlement of wage and hour class and PAGA action.
- 16 • *Bobby Birdi v. Lucid USA, Inc.*, Alameda County Superior Court, Case No.
17 21CV003541, approved as class counsel in final settlement of wage and hour class and
18 PAGA action.
- 19 • *Victor De La Cruz v. Northwest Pipe Company*, San Bernardino County Superior Court,
20 Case No. CIVSB2211140, approved as class counsel in final settlement of wage and hour
21 class and PAGA action.
- 22 • *Jose Trujillo, et al. v. Producers Dairy Foods, Inc.*, Sacramento County Superior Court,
23 Case No. 34-2022-00313753, approved as counsel in settlement of representative wage
24 and hour action pursuant to PAGA.
- 25 • *David Williams v. Rancho Nicasio, LLC*, Marin County Superior Court, Case No.
26 CIV2203067, approved as class counsel in final settlement of wage and hour class and
27 PAGA action.

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- *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.

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- *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.

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6. I am currently the managing partner overseeing roughly 500 labor and employment cases, approximately 80% of which include a wage and hour component. The majority of those cases are wage-and-hour putative class actions or representative PAGA actions seeking relief on behalf of thousands of California employees.

Procedural History of the Action

7. Defendant Stagnaro Bros. Seafood, Inc. (“Defendant”) is a seafood restaurant and outdoor fish market that sells seafood at the Santa Cruz Municipal Wharf and out of its wholesale location in Santa Cruz, California. Defendant employed Plaintiff as an hourly-paid, non-exempt Server from approximately June 2023 to October 2023.

8. On November 2, 2023, Plaintiff provided written notice by electronic submission to the California Labor and Workforce Development Agency (“LWDA”) and by U.S. Certified Mail to Defendant, pursuant to California Labor Code § 2699.3, of the specific provisions of the California Labor Code alleged to have been violated by Defendant (“PAGA Notice”). A true and correct copy of the PAGA Notice is attached hereto as **Exhibit 1**.

9. On January 8, 2024, Plaintiff filed a Complaint for Enforcement Action Under the Private Attorneys General Act, Cal. Labor Code §§ 2698 *Et Seq* (“Operative Complaint”) in the action entitled *Corina Martinez v. Stagnaro Bros. Seafood, Inc.*, Santa Cruz County Superior Court Case No. 24CV00082 (“Action”) alleging one cause of action under PAGA.

10. During the course of informal discovery in the Action, Plaintiff's Counsel conducted an intense investigation into the facts of the Action. This included obtaining data, information, and documents relating to the underlying alleged violations, including, but not limited to, Plaintiff's employee file, Aggrieved Employees' time and payroll records and data, Defendant's Employee Handbook, and Aggrieved Employees' data points so that Plaintiff could assess the number of alleged potential violations and value of the recoverable penalties, as well as evaluate the strengths and weaknesses of her claims.

11. Based on the data, information, and documents received, as well as thorough discussions with Defendant's counsel, Plaintiff's Counsel was able to (i) determine the total number of distinct individuals falling within the definition of "Aggrieved Employees" for the relevant statutory

1 period, (ii) the number of affected pay periods at issue among them, and (iii) construct a damages
2 model that calculated the maximum realistic amount of PAGA penalties that could be levied against
3 Defendant within the relevant statutory period. Defendant, however, disputed Plaintiff's claims and
4 disputed both the existence of and extent of liability as alleged by Plaintiff, which allowed Plaintiff's
5 Counsel to further assess the strength of Plaintiff's claims. Plaintiff's Counsel's experience in
6 litigating similar representative wage and hour claims, the degree of investigation that was conducted
7 here, and the amount of data, information, and documents that was obtained, was sufficient to
8 determine the potential value of the PAGA claims, and to evaluate the strength of these claims for
9 purposes of settlement.

10 12. On August 21, 2024, the Parties participated in a formal mediation conducted by
11 Monique Ngo-Bonnici, Esq., a neutral and respected mediator with extensive experience in complex
12 wage and hour matters, during which the Parties were able to reach an agreement to resolve the Action
13 in its entirety. Attached hereto as **Exhibit 2** is a true and correct copy of the Private Attorneys General
14 Act Settlement Agreement and Release ("Settlement," "Agreement," or "Settlement Agreement")
15 entered into between the Parties.

16 13. The Parties believe the Settlement Agreement is fair, reasonable, and adequate. The
17 Parties understand, acknowledge, and agree that the Settlement Agreement constitutes a compromise
18 of Plaintiff's PAGA claims, and that it is the desire and intention of the Parties to affect a final and
19 complete resolution of the Action.

20 14. Defendant denies all of the claims in the Action, and does not waive, but rather
21 expressly reserves, all rights to challenge all such claims and allegations upon all legal, procedural,
22 and factual grounds should the Settlement Agreement not become final. The Settlement Agreement
23 reflects a compromise reached to end litigation in the Action. Following significant investigation and
24 extensive settlement negotiations, Plaintiff now seeks approval of the proposed Settlement Agreement,
25 which will resolve all representative claims alleged in the Action.

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Notice to the LWDA

15. In accordance with California Labor Code sections 2699 *et. seq.*, a copy of the proposed Settlement Agreement was submitted to the LWDA via online submission through the LWDA's website on October 3, 2024. A true and correct copy of the email from the LWDA confirming receipt is attached hereto as **Exhibit 3**.

Summary of the Terms of the Settlement Agreement

16. For purposes of settlement only, the Parties have agreed that the "Aggrieved Employees" shall be defined as "all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the PAGA Period." The "PAGA Period" is the period from November 2, 2022 to November 21, 2024, subject to Section 3(a)(6) of the Settlement Agreement. As of August 21, 2024, there are approximately 163 Aggrieved Employees.

17. The Parties have agreed to settle the PAGA claims at issue in the Action for a non-reversionary Gross Settlement Amount of Three Hundred Fifty Thousand Dollars and Zero Cents (\$350,000.00). The Gross Settlement Amount is a common fund and therefore includes all requested costs, fees, and other allocations. The Gross Settlement Amount includes: (1) Plaintiff's Counsel's fees in the amount of thirty-five percent (35%) of the Gross Settlement Amount, equaling One Hundred Twenty-Two Thousand Five Hundred Dollars and Zero Cents (\$122,500.00); (2) Plaintiff's Counsel's actual litigation costs and expenses in the amount of Nineteen Thousand Three Hundred Thirty-Four Dollars and Six Cents (\$19,334.06); (3) General Release Fee in the amount of Five Thousand Dollars and Zero Cents (\$5,000.00) to Plaintiff; and (4) Settlement Administration Costs, not to exceed Five Thousand Dollars and Zero Cents (\$5,000.00).

18. After the above-estimated amounts are deducted from the Gross Settlement Amount, the Net Settlement Amount will amount to approximately One Hundred Ninety-Eight Thousand One Hundred Sixty-Five Dollars and Ninety-Four Cents (\$198,165.94), of which seventy-five percent (75%), or One Hundred Forty-Eight Thousand Six Hundred Twenty-Four Dollars and Forty-Five Cents (\$148,624.45), will be paid to the LWDA ("LWDA Payment"), and twenty-five percent (25%), or Forty-Nine Thousand Five Hundred Forty-One Dollars and Forty-Nine Cents (\$49,541.49), will be

distributed and paid to Aggrieved Employees (“Employees’ Portion”) on a *pro rata* basis based upon the number of pay periods they each worked during the PAGA Period (“Pay Periods”).

19. No later than twenty-one (21) calendar days after the Court’s order granting approval of the Settlement, Defendant will provide the Settlement Administrator with a list of all Aggrieved Employees, containing each Aggrieved Employee’s first and last name, last known address, last known telephone number, Social Security number, and number of Pay Periods (collectively, “Aggrieved Employee List”).

20. No later than twenty-one (21) calendar days of the Court’s order granting approval of the Settlement, Defendant will transmit the Gross Settlement Amount to a qualified settlement account established by the Settlement Administrator for administration of the Settlement.

21. No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and Gross Settlement Amount, the Settlement Administrator will distribute the Individual PAGA Payments to Aggrieved Employees (along with a cover letter “Cover Letter”), the LWDA Payment to the LWDA, the General Release Fee to Plaintiff, the Attorneys’ Fees and Costs to Plaintiff’s Counsel, and the Settlement Administration Costs to itself.

22. Prior to mailing the Individual PAGA Payment checks, the Settlement Administrator will update the Aggrieved Employees’ mailing addresses using the National Change of Address Database. Additionally, for all Individual PAGA Payment checks that are returned as undeliverable within thirty (30) calendar days of the initial mailing, the Settlement Administrator will promptly attempt to locate an alternative, updated address for the Aggrieved Employee at issue, by using a skip-trace search and will attempt one (1) re-mailing of the Individual PAGA Payment check.

23. The Individual PAGA Payment checks issued to Aggrieved Employees will remain valid and negotiable for one hundred and eighty (180) calendar days, and thereafter, will be canceled. Any funds associated with such canceled checks will be distributed to State Controller’s Office Unclaimed Property Division in the name of the Aggrieved Employee at issue and in the amount of their respective Individual PAGA Payment(s).

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1 24. Defendant has represented that the Aggrieved Employees worked approximately 3,173
2 pay periods during the period November 2, 2022 to August 21, 2024. If the actual number of Pay
3 Periods worked by the Aggrieved Employees during the PAGA Period increases by more than 10%
4 (i.e., by more than 3,490 Pay Periods), Defendant shall have the choice of either (1) increasing the
5 Gross Settlement Amount by the percentage increase in the number of Pay Periods above 10% (e.g.,
6 if the number of Pay Periods increases by 11% to 3,522 Pay Periods, then the Gross Settlement
7 Amount will increase by 1%); or (2) rolling back the PAGA Period to the date that the Pay Periods
8 reach but do not exceed 3,490 Pay Periods.

9 **The Agreement is Fair and Reasonable and Took Into Consideration the Strengths and**
10 **Weaknesses of Plaintiff's Claims and the Defenses thereto, as well as the Risks and Benefits of**
11 **the Agreement**

12 25. Here, the Agreement is presumptively fair because: (1) it occurred after counsel for the
13 Parties engaged in significant investigation to evaluate the strength and potential value of the PAGA
14 claims, and the risks of litigating these claims through trial; and (2) it was negotiated at great length
15 and effort by counsel with significant experience in similar complex labor and employment matters.

16 26. This case and settlement address important employee protections embodied in the
17 California Labor Code. Plaintiff's core allegations are that Defendant systematically violated the
18 California Labor Code by, *inter alia*, failing to properly pay wages for all hours worked, failing to pay
19 overtime at the correct rate, failing to provide compliant meal and rest periods, failing to pay premiums
20 at the correct rate of pay, failing to timely pay wages during employment and upon termination, failing
21 to maintain accurate payroll records, failing to provide accurate wage statements, and failing to
22 reimburse necessary business expenses.

23 27. Defendant maintained several defenses to Plaintiff's theories of liability, which, if
24 successfully argued and proven, had the potential to eliminate or substantially reduce recovery.
25 Throughout this litigation, Defendant maintained, and continues to maintain, that it had, and continues
26 to have, compliant employment policies and practices throughout the time period at issue. Defendant
27 denies that it ever violated any provision of the California Labor Code, including, but not limited to,
28 those sections for which Plaintiff seeks penalties under PAGA. Defendant further denied, and

continues to deny, that the lawsuit is appropriate for representative treatment for any purpose other than settlement. Defendant also challenged Plaintiff's standing as an aggrieved employee and denied that any of Defendant's other employees whom Plaintiff seeks to represent are aggrieved. Defendant also argued that an important feature of PAGA is that the Court retains discretion to lower the penalties if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is "unjust, arbitrary and oppressive, or confiscatory."

28. Even if violations of the California Labor Code occurred, which Defendant denies, Defendant contended that said violations would only be considered "initial violations" and thus heightened "subsequent violation" penalties were not warranted.

29. Defendant also contended that, with respect to PAGA claims, the Court was unlikely to assess cumulative penalties for the maximum number of possible, separate California Labor Code violations, because it would be unjust, arbitrary, oppressive, and/or confiscatory, especially where certain conduct may be regulated by multiple provisions of the California Labor Code that are interrelated and work in tandem.

30. While Plaintiff maintains that her PAGA claims have merit, in reaching the Agreement, Plaintiff and her counsel took into account the strengths and weaknesses of each side's position, and the uncertainty of how the case might have concluded as litigation continued, at trial, and/or upon appeal. The Agreement achieves a sizeable benefit obtained.

31. Based on Defendant's records, it was determined that approximately 163 Aggrieved Employees worked a total of 3,173 pay periods during the time period between November 2, 2022 through August 21, 2024 ("relevant time period").

32. As set forth in the Motion, the California Labor Code does not set forth the criteria by which a PAGA settlement is to be evaluated; it is presumed that a reviewing court may take into consideration some of the factors that courts use when reviewing a class action settlement.¹ "[A] PAGA claim asserted on a non-class representative basis...is not considered a class action but a law enforcement action, and therefore does not have to meet the requirements of [a class action]." *Casida*

¹ As this is not a class action, the *Kullar* factors pertaining to the risk of maintaining class action status through trial and the reaction of class members to the proposed settlement are inapplicable.

1 *v. Sears Holdings Corp.*, 2012 U.S. Dist. LEXIS 9302 at *8 (E.D. Cal. Jan. 25, 2012). However, a
2 discussion of the strengths and weaknesses of each claim, along with an estimate of the total potential
3 recovery is as follows:

4 *i. Unpaid Wages*

5 33. Plaintiff alleges that Defendant failed to compensate Plaintiff and the Aggrieved
6 Employees at their applicable minimum, regular, and overtime rates for their work, and failed to
7 compensate them for all hours that they worked. Plaintiff further alleged that Defendant required
8 Plaintiff and the other Aggrieved Employees to perform work off-the-clock by requiring them to
9 continue working, such as restocking items, after clocking out. Additionally, Plaintiff alleged that
10 Defendant failed to pay overtime compensation at the rate of one and one-half times the regular rate
11 of pay by failing to include all non-discretionary compensation into the regular rate calculation.

12 34. Defendant denied these claims, arguing that its overtime policies and practices comply
13 with California. Defendant further contended that its non-exempt employees were responsible for
14 accurately recording their own hours and that it was not aware that any work had been performed off-
15 the-clock. Defendant also argued that its overtime calculations lawfully included all forms of
16 compensation. Defendant also produced payroll data evidencing overtime paid to its employees.

17 35. If a violation was found to have occurred in every one of the aggregate pay periods
18 within the relevant time period, the potential maximum exposure for this claim would be \$317,300.²

19 *ii. Meal Periods*

20 36. Plaintiff asserted that Defendant failed to provide employees with lawful meal periods.
21 For example, Plaintiff reported that work demands and short-staffing issues prevented her and others
22 from taking complete, uninterrupted meal breaks. Additionally, Plaintiff alleged that throughout the
23 relevant time period, Defendant failed to provide timely, uninterrupted second meal periods of the
24 requisite length. Plaintiff's analysis of Aggrieved Employees' time data revealed that in 85.5% of all
25 pay periods there was at least one unique meal period violation.

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27 ² While the California Labor Code provides for \$100 for the first violation and up to \$250 for each subsequent violation
28 (depending on the underlying violation), Plaintiff used this simple computation of the total number of aggregate pay periods
times a \$100 penalty for analysis purposes only to account for the argument that the imposition of PAGA penalties is
discretionary and courts have the power to reduce or assess penalties based on the specifics of each case.

1 37. Defendant argued that the Aggrieved Employees were permitted, if not encouraged, to
2 take their meal breaks. Defendant also argued that its written meal break policy was lawful and
3 employees' time records reflected that they took lawful meal periods. Defendant further contended
4 that Plaintiff and the Aggrieved Employees signed meal break waivers whenever they did not receive
5 a lawful meal break. Moreover, litigating the meal period claims would be inherently difficult as it
6 would need to be proven that compliant meal periods were not provided, but time records would not
7 indicate whether or not a meal period was interrupted.

8 38. If a violation was found to have occurred in every one of the aggregate pay periods
9 within the relevant time period, the potential maximum exposure for this claim would be \$317,300.

10 *iii. Rest Periods*

11 39. Plaintiff argued that Defendant failed to schedule, permit, or authorize compliant rest
12 periods. Plaintiff alleged that Plaintiff and other Aggrieved Employees' rest breaks were often
13 interrupted, cut short, or were non-existent due to the same work demands and short-staffing issues
14 that prevented her and others from taking complete, uninterrupted meal breaks. In response,
15 Defendant pointed to their written rest break policy as being compliant with California law. Here,
16 Plaintiff faced the challenge of having to prove each alleged rest period violation with only testimony
17 from Aggrieved Employees.

18 40. If a violation was found to have occurred in every one of the aggregate pay periods
19 within the relevant time period, the potential maximum exposure for this claim would be \$317,300.

20 *iv. Unreimbursed Business Expenses*

21 41. Plaintiff alleged that Aggrieved Employees received work-related phone calls and text
22 messages on their personal cell phones from their supervisors and were not compensated by
23 Defendant. Plaintiff also asserted that Defendant required Plaintiff and Aggrieved Employees to pay
24 out-of-pocket for obtaining certificates for food service and drink handling in addition to trainings
25 including sexual harassment and other employment-related issues but were not reimbursed in any
26 amount to fulfill their job responsibilities.

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1 42. Defendant contended that it had a policy and practice of reimbursing employees for
2 necessary business-related expenses. Defendant further contended that, with respect to the alleged
3 expenses for which Plaintiff and Aggrieved Employees never requested reimbursement from
4 Defendant, it did not know and had no reason to know that alleged business-related expenses had been
5 incurred.

6 43. If a violation was found to have occurred in every one of the aggregate pay periods
7 within the relevant time period, the potential maximum exposure for this claim would be \$317,300.

8 *v. Derivative Claims*

9 44. As with all derivative claims, success depends on the success of the underlying claims.
10 Here, Plaintiff's claims for inaccurate wage statements, failure to pay all wages due during
11 employment and upon termination, and failure to keep requisite payroll records would only succeed if
12 the underlying claims for failure to pay wages for off-the-clock work, failure to pay overtime, and
13 failure to pay premiums for all meal and rest periods not lawfully provided were successful. Therefore,
14 these claims were subject to the same risks of failure as discussed above.

15 45. Again, if a violation was found to have occurred in every one of the aggregate pay
16 periods within the relevant time period, the potential maximum exposure for this claim would be
17 \$317,300.

18 *vi. Total PAGA Penalties*

19 46. Plaintiff's Counsel considered information obtained through investigations and
20 obtained from Plaintiff and Aggrieved Employees, as well as data provided by Defendant, and created
21 valuation models. Based thereon and assuming that the Court would be satisfied that the PAGA claims
22 were susceptible to being efficiently tried and adjudicated on a representative basis, and that it could
23 be shown that civil penalties under the California Labor Code are owed of one penalty per pay period
24 during the relevant time period, Defendant's estimated total exposure was \$1,586,500. However,
25 Plaintiff's Counsel considered the defenses asserted, information and evidence obtained, and
26 circumstances in this case, which posed risks to representative adjudication and monetary recovery.
27 Plaintiff's Counsel also considered the fact that, by law, the Court has the discretion to reduce and/or
28 assess lower penalties, that it was not clear that heightened penalties would apply, and that stacking

1 and/or cumulative penalties may not be allowed. Accordingly, a discount of 50% was applied to
2 account for the risks associated with proving the underlying violations and the cost and delay in
3 recovering the alleged potential penalties (bringing the value of this claim closer to \$793,250), and a
4 discount of 50% was applied to account for the risks associated with succeeding on the merits and
5 establishing liability (bringing the value of this claim closer to \$396,625). In light thereof, the Gross
6 Settlement Amount of \$350,000 is a significant settlement.

7 **The Amount in the Settlement Agreement**

8 47. The Net Settlement Amount is currently estimated to be One Hundred Ninety-Eight
9 Thousand One Hundred Sixty-Five Dollars and Ninety-Four Cents (\$198,165.94). After all
10 deductions from the Gross Settlement Amount are made for the Attorneys' Fees and Costs, General
11 Release Fee, and Settlement Administration Costs, One Hundred Forty-Eight Thousand Six Hundred
12 Twenty-Four Dollars and Forty-Five Cents (\$148,624.45) (i.e. 75% of the Net Settlement Amount)
13 will go to the LWDA, and Forty-Nine Thousand Five Hundred Forty-One Dollars and Forty-Nine
14 Cents (\$49,541.49) (i.e. 25% of the Net Settlement Amount) will go to the Aggrieved Employees, as
15 required by California Labor Code § 2699(i) ("civil penalties recovered by aggrieved employees shall
16 be distributed as follows: 75 percent to the Labor and Workforce Development Agency . . . and 25
17 percent to the aggrieved employees."). There is no reason to doubt the fairness of the proposed plan
18 of allocation of the Net Settlement Amount as it fully complies with California Labor Code section
19 2699(i).

20 48. The Settlement Agreement is a compromise of highly disputed claims. Plaintiff and
21 her counsel recognize the expense and length of continued proceedings necessary to litigate the matter
22 through trial and any possible appeals. Plaintiff and her counsel have also taken into account the
23 uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in
24 such litigation. Plaintiff and her counsel are also aware of the burdens of proof necessary to establish
25 liability, both generally and in response to Defendant's defenses thereto, and the difficulties in
26 establishing Defendant's liability for, and the right to recover, penalties on behalf of Plaintiff, the State
27 of California, and other Aggrieved Employees. Plaintiff and her counsel have also taken into account
28 Defendant's agreement to enter into a settlement that confers significant relief upon the Aggrieved

1 Employees and the State of California. Considering all of the facts in this case, Plaintiff and her
2 counsel have determined that the Agreement represents a fair, adequate, and reasonable resolution of
3 the PAGA claims, and that it is in the best interests of the Aggrieved Employees and the State of
4 California.

5 49. The result achieved in this case is well within the range of what is considered an
6 acceptable settlement under the circumstances, especially when compared to the settlement of PAGA
7 claims in other cases.

8 **The Agreement was Negotiated by Experienced Counsel**

9 50. Plaintiff's Counsel is experienced in complex representative and class action wage-
10 and-hour litigation. In the view of Plaintiff's Counsel, the benefits conferred by the Agreement are
11 eminently fair and reasonable, and in the best interests of the State of California and the Aggrieved
12 Employees in light of the risk, delay, and uncertainty of continued litigation and the substantial
13 monetary benefits provided for by the Agreement.

14 51. Here, the extent of informal discovery conducted was sufficient to enable Plaintiff's
15 Counsel to evaluate the strength and value of the PAGA claims for purposes of settlement. The
16 settlement negotiations were conducted by highly capable and experienced counsel. Plaintiff's
17 Counsel are respected members of the bar with strong records of vigorous and effective advocacy, and
18 are experienced in handling complex wage and hour class action litigation. Accordingly, Plaintiff's
19 Counsel had sufficient information and experience to act intelligently in negotiating the Agreement.

20 **The Requested Attorneys' Fees are Fair and Reasonable**

21 52. Plaintiff's Counsel's application for attorneys' fees in light of the facts and
22 circumstances surrounding the case is well-within the range of reasonableness. Plaintiff's Counsel
23 has vigorously litigated this case since it was commenced, with the very real possibility of an
24 unsuccessful outcome and no fee recovery of any kind.

25 53. In the present case, Plaintiff's Counsel has borne all of the risks and costs of litigation
26 and will not receive any compensation until recovery is obtained. Plaintiff's Counsel is experienced
27 in complex wage-and-hour litigation and used that experience to obtain a favorable result for Plaintiff,
28 the Aggrieved Employees, and the State of California. Considering the amount of fees requested,

work performed, risks incurred, and experience of Plaintiff's Counsel in handling similar matters, Plaintiff maintains that the requested attorneys' fees of thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$122,500) are reasonable and should be awarded.

54. The effectiveness of Plaintiff's Counsel's prosecution of this matter has translated into tangible monetary benefits for the Aggrieved Employees as follows: (1) Aggrieved Employees will obtain monetary recovery over a relatively short period of time, as opposed to waiting additional years for the same, or potentially worse, result; (2) a guaranteed result that compares favorably with other representative PAGA actions of this type, given the strengths and weaknesses of the case; and (3) significant savings in Plaintiff's Counsel's fees and/or costs that would have only increased significantly had the case progressed through trial and/or appeals. The attorneys who worked on the Action are all experienced in litigating wage and hour matters as follows:

a. Miriam L. Schimmel is a 28-year litigator who joined Blackstone in June 2022, following ten years of working with two well-known plaintiff-side wage and hour law firms in Los Angeles. Her billable rate is \$1,050, which is well within the prevailing rate for attorneys with her experience in my area of practice in Southern California.

b. Joana Fang is a highly skilled eight-year lawyer who is part of the team at Blackstone that litigated this matter. She is a 2015 graduate of Loyola Law School, and a 2011 graduate of University of California, Berkeley where she was a double major in Legal Studies and Media Studies. Since passing the Bar, Ms. Fang has exclusively represented plaintiffs in wage and hour litigation, as well as catastrophic injury complex litigation. Her hourly rate of \$750 is reasonable based on her education and experience and is in line with the market rate.

c. Alexandra Rose joined Blackstone from a highly reputable employment law firm. She graduated from the University of California, Los Angeles with a Bachelor of Arts degree in 2016 and from New England Law | Boston with a Juris Doctor degree in 2019. She was admitted to the State Bar of California in December of 2019. Her hourly rate of \$695 is reasonable based on her education and experience and is in line with the market rate.

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d. Jared C. Osborne recently joined Blackstone also from a highly reputable employment law firm. He graduated from New York University with a Bachelor of Arts degree in 2009 and from University of Southern California with a Juris Doctor degree in 2020. He was admitted to the State Bar of California in February 2021. His hourly rate of \$650 is reasonable based on his education and experience and is in line with the market rate.

55. Blackstone Law, APC has spent approximately 110.85 total hours litigating this matter. To date, our total fees incurred amount to \$103,756.25. Each attorney who worked on this matter engaged in a multitude of tasks, including communicating with the client and defense counsel; investigating the facts and researching applicable legal issues; drafting pleadings and the mediation brief; reviewing documents; preparing for and attending mediation; and facilitating the settlement by drafting the settlement documents and documents for obtaining settlement approval. A summary of Blackstone's lodestar for each attorney who worked on this matter is as follows:

<u>Attorney</u>	<u>Position</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Jonathan M. Genish	Managing Partner	21	\$1,150	\$24,150
Miriam L. Schimmel	Senior Counsel	43.5	\$1,050	\$45,675
Joana Fang	Senior Associate	35	\$750	\$26,250
Alexandra Rose	Associate	6.75	\$695	\$4,691.25
Jared C. Osborne	Associate	4.60	\$650	\$2,990

56. We expect to spend an additional 10 hours (\$10,500) in connection with finalizing the Motion, preparing for the approval hearing, and managing the Agreement through its conclusion, including anticipated communications with defense counsel, the Settlement Administrator, and our client. Based thereon, the total amount of Plaintiff's Counsel's fees through closure of this matter are estimated to be approximately \$114,256.25.

The Requested Attorneys' Costs and Expenses are Fair and Reasonable

57. The Agreement provides for reimbursement of litigation costs and expenses of up to Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00). Plaintiff's Counsel seeks reimbursement of a total of Nineteen Thousand Three Hundred Thirty-Four Dollars and Six Cents

1 (\$19,334.06) in litigation costs and expenses. A true and correct itemized list of my firm's litigation
2 costs and expenses is attached hereto as **Exhibit 4**. This amount was reasonable and necessary in the
3 prosecution of this matter.

4 **The Settlement Administration Costs are Fair and Reasonable**

5 58. As set forth in the Settlement Agreement, the Parties have agreed to retain, subject to
6 approval by the Court, ILYM Group, Inc., to handle the administration of the Agreement. The fees
7 and expenses of the Administrator are estimated not to exceed Five Thousand Dollars and Zero Cents
8 (\$5,000.00). These costs include, but are not limited to, expenses for preparing, printing, and mailing
9 the Cover Letter and Individual PAGA Payment checks to the Aggrieved Employees, re-mailing the
10 returned Individual PAGA Payment checks to any new addresses obtained, and handling inquiries
11 from Aggrieved Employees regarding the Agreement, among other things. Accordingly, the Court
12 should grant approval of the Settlement Administration Costs in the amount of up to Five Thousand
13 Dollars and Zero Cents (\$5,000.00) to ILYM Group, Inc., a necessary third-party for handling the
14 settlement process.

15 **The General Release Fee Is Fair and Reasonable**

16 59. As part of the Settlement Agreement, Plaintiff respectfully requests a reasonable
17 General Release Fee of Five Thousand Dollars and Zero Cents (\$5,000.00) to Plaintiff. This General
18 Release Fee is eminently reasonable given the time and effort Plaintiff spent on this matter, her
19 services on behalf of the State of California and the Aggrieved Employees, and her broader, general
20 release of claims.

21 60. By initiating and pursuing the Action, Plaintiff stepped into the shoes of the State of
22 California and undertook the responsibilities of serving in a representative capacity. Plaintiff was
23 available whenever Plaintiff's Counsel needed her and actively tried to obtain information that would
24 benefit the prosecution of the Action.

25 61. Accordingly, Plaintiff respectfully submits that it is appropriate and just for Plaintiff to
26 receive a General Release Fee in the amount of Five Thousand Dollars and Zero Cents (\$5,000.00) in
27 addition to the Individual PAGA Payment she will receive as an Aggrieved Employee, for her services
28 on behalf of the State of California and the other Aggrieved Employees, as well as for her broader,

1 general release of claims.

2 **Pending Actions**

3 62. Neither I nor Plaintiff are aware of any other pending matter or action asserting claims
4 that will be extinguished or adversely affected by the Agreement.

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

7 Executed on October 16, 2024, at Beverly Hills, California.

8
9 

10 _____
Jonathan M. Genish

Exhibit 1

November 2, 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: *Corina Martinez v. Stagnaro Bros. Seafood, Inc.*

Dear Representative:

This office represents Corina Martinez (“Claimant”) with respect to their claims under the California Labor Code against Stagnaro Bros. Seafood, 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 May 2023 to October 2023 as a non-exempt, hourly-paid employee. During her employment with Employers, Claimant was employed as a Server at 320 Washington Street, Santa Cruz, CA 95060.

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 themselves 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 continue working, such as restocking items, after clocking out and to put uniforms on at work, prior to clocking in. 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 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 costs of employer-mandated training/certificates and 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

Miriam Schimmel
Miriam Schimmel, Esq.

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

Stagnaro Bros. Seafood, Inc.
Attn: John S. Mcpherson, Agent for Service of Process
320 Washington Street
Santa Cruz, CA 95060

Exhibit 2

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

This Private Attorneys General Act Settlement Agreement and Release (Settlement Agreement” or “Settlement”) is entered into by and between Corina Martinez (“Plaintiff”), individually and as a representative of the State of California and the Aggrieved Employees (as defined in Section 3(a)(5) below) and Stagnaro Bros. Seafood, Inc. (“Defendant”), subject to approval by the Court. The term “Party” or “Parties” as used herein shall refer to Plaintiff, Defendant, or both, as may be appropriate.

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

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

(b) On November 2, 2023, Blackstone Law, APC (“Plaintiff’s Counsel”), submitted a letter on behalf of Plaintiff to the California Labor and Workforce Development Agency (“LWDA”) and Defendant to notify the LWDA and Defendant pursuant to the Private Attorneys General Act of 2004, Labor Code section 2698, *et seq.* (“PAGA”), of Plaintiff’s intent to seek civil penalties under PAGA for Defendant’s alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders, thereby initiating LWDA Case Number LWDA-CM-991439-23 (“PAGA Notice”);

(c) On January 8, 2024, Plaintiff filed a Complaint for Enforcement Action Under the Private Attorneys General Act, Cal. Labor Code §§ 2698 *Et Seq.* (“Operative Complaint”), commencing a representative action under PAGA against Defendant, entitled *Corina Martinez v. Stagnaro Bros. Seafood, Inc.*, Santa Cruz County Superior Court Case No. 24CV00082 (“Action”). The Operative Complaint asserts a single cause of action for civil penalties under PAGA for violations of multiple provisions of the California Labor Code and the applicable Industrial Welfare Commission Wage Orders;

(d) On August 21, 2024, the Parties mediated the Action with Monique Ngo-Bonnici, Esq., and, with the aid of the mediator’s evaluation, the Parties reached the Settlement described herein to resolve the Action in its entirety;

(e) There has been no determination on the merits of the Action or the PAGA Notice but, in order to avoid additional cost and the uncertainty of litigation, the Parties desire to resolve the Action and Released Claims (as defined in Section 6(a) below).

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

3. **Consideration.**

(a) Defendant shall pay the maximum gross sum of Three Hundred Fifty Thousand Dollars and Zero Cents (\$350,000.00) (the “Gross Settlement Amount”) to resolve the Action and Released Claims (as defined in Section 6(a) below), which will be paid as follows:

(1) Attorneys’ fees in the amount of Thirty-Five Percent (35%) of the Gross Settlement Amount, which is One Hundred Twenty-Two Thousand Five Hundred Dollars and Zero Cents (\$122,500.00), and reimbursement of actual litigation costs and expenses in the amount of up to Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) (collectively, “Attorneys’ Fees and Costs”) to Plaintiff’s Counsel, which Defendant will not contest.

(2) A general release fee of up to the amount of Five Thousand Dollars and Zero Cents (\$5,000.00) (“General Release Fee”) to Plaintiff, which Defendant will not contest.

(3) Costs and expenses of administration of the Settlement up to the amount of Five Thousand Dollars and Zero Cents (\$5,000.00) (“Settlement Administration Costs”) to ILYM Group, Inc. (“Settlement Administrator”).

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

(5) Seventy-five percent (75%) of the Net Settlement Amount will be distributed to the LWDA (“LWDA Payment”); and the remaining twenty-five percent (25%) will be distributed to all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the PAGA Period (“Aggrieved Employees”). The “PAGA Period” is the period from November 2, 2022 to November 21, 2024, subject to Section 3(a)(6). The twenty-five percent (25%) portion of the Net Settlement Amount payable to the Aggrieved Employees is referred to as the “Employees’ Portion.”

(6) Defendant has represented that the Aggrieved Employees worked approximately 3,173 pay periods during the period November 2, 2022 to August 21, 2024. If the actual number of Pay Periods (as defined in Section 5(b) below) worked by the Aggrieved Employees during the PAGA Period increases by more than 10% (i.e., by more than 3,490 Pay Periods), Defendant shall have the choice of either (1) increasing the Gross Settlement Amount by the percentage increase in the number of Pay Periods above 10% (e.g., if the number of Pay Periods increases by 11% to 3,522 Pay Periods, then the Gross Settlement Amount will increase by 1%); or (2) rolling back the PAGA Period to the date that the Pay Periods reach but do not exceed 3,490 Pay Periods.

(b) Because this is a settlement of PAGA claims for civil penalties only, no portion of the Settlement is allocated to unpaid wages. One hundred percent (100%) of the payments for Attorneys’ Fees and Costs, General Release Fee, and the Net Settlement Amount to be paid to the LWDA and Aggrieved Employees as described in Section 3(a) above will be treated

and reported for tax purposes as non-wage payments and the Settlement Administrator will be responsible for issuing IRS Forms 1099, as required.

4. Approval and Implementation of the PAGA Settlement.

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

(b) The Parties further agree to cooperate in the drafting and/or filing of any further documents and/or filings reasonably necessary to be prepared and/or filed, and to take all steps that may be requested by the Court in order to obtain approval and implementation of this Settlement Agreement, and the payments described in Section 3(a) above.

(c) The Parties shall seek to obtain Court approval of this Settlement Agreement by way of an unopposed motion to be filed by Plaintiff's Counsel. Plaintiff's Counsel shall provide a draft of all documents to be submitted in connection with the motion to approve this Settlement Agreement to Jenn M. Protas of Hoge, Fenton, Jones & Appel, Inc. ("Defendant's Counsel") for review. Defendant's Counsel will be given an opportunity to comment on the papers prior to their being filed with the Court, and such comments will be implemented to the extent reasonable.

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

5. Payment of the Gross Settlement Amount / Notice to Recipients.

(a) Subject to Court approval of this Settlement Agreement, payment of the sums described in Section 3(a) above shall be made by Defendant by transmitting the Gross Settlement Amount to a qualified settlement account established by the Settlement Administrator for administration of this Settlement, within twenty-one (21) calendar days of the Court's order granting approval of this Settlement Agreement. If the date by which payment by Defendant is due falls on a Saturday, Sunday, or legal holiday in the State of California, then the due date shall be extended to the next following day which is not a Saturday, Sunday, or legal holiday in the State of California.

(b) Each Aggrieved Employee will be entitled to a *pro rata* share of 25% of the Net Settlement Agreement (i.e., the Employees' Portion) based upon the number of pay periods they each worked during the PAGA Period ("Pay Periods"), based on Defendant's payroll records.

Specifically, to calculate each Aggrieved Employee's share of the Employees' Portion ("Individual PAGA Payment"), the Settlement Administrator shall: (i) for each Aggrieved Employee, divide the number of Pay Periods the Aggrieved Employee worked by the total aggregate number of Pay Periods worked by all Aggrieved Employees, and then (ii) multiply this amount by the Employees' Portion to arrive at each Aggrieved Employee's Individual PAGA Payment.

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

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

(1) No later than twenty-one (21) calendar days after the Court's order granting approval of the Settlement, Defendant shall provide the Settlement Administrator with a list of all Aggrieved Employees (the "Aggrieved Employees List"), containing the following information for each Aggrieved Employee: (i) first and last name; (ii) last known address; (iii) last known telephone number; (iv) Social Security number; and (v) number of Pay Periods.

(2) The Settlement Administrator shall conduct one (1) National Change of Address ("NCOA") search for all individuals identified on the Aggrieved Employees List.

(3) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and Gross Settlement Amount, the Settlement Administrator shall mail the agreed-upon Cover Letter in English and Spanish and Individual PAGA Payment checks (together, the "PAGA Settlement Package") to all Aggrieved Employees by First-Class United States mail. For each PAGA Settlement Package that is returned undeliverable within thirty (30) calendar days of the initial mailing, the Settlement Administrator shall promptly attempt to locate an alternative, updated address for the Aggrieved Employee at issue, by using a skip-trace search and shall attempt one (1) re-mailing of the PAGA Settlement Package.

(4) The Individual PAGA Payment checks issued to Aggrieved Employees shall remain valid for one hundred eighty (180) calendar days, and thereafter, shall be canceled. Funds associated with such canceled checks shall be transmitted to the State Controller's Office Unclaimed Property Division in the name of the Aggrieved Employee(s) at issue and in the amount of their respective Individual PAGA Payment(s).

(5) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and Gross Settlement Amount, the Settlement Administrator shall transmit the LWDA Payment to the LWDA.

(6) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and Gross Settlement Amount, the Settlement Administrator shall transmit the General Release Fee to Plaintiff.

(7) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and Gross Settlement Amount, the Settlement Administrator shall transmit the Attorneys' Fees and Costs to Plaintiff's Counsel.

(8) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and Gross Settlement Amount, the Settlement Administrator shall transmit the Settlement Administration Costs to itself.

6. Release of Claims by Plaintiff and the State of California with Respect to the Aggrieved Employees.

(a) Upon the Court's approval of the Settlement Agreement and full funding of the Gross Settlement Amount, Plaintiff and the State of California with respect to Aggrieved Employees, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged Defendant and its current and former Board Members, officers, directors, managers, members, employees, independent contractors, investors, insurers, trustees, shareholders, parent and subsidiary companies, affiliated entities, counsel, heirs, and assigns (collectively, the "Released Parties") from any and all claims arising from any of the factual allegations in the Operative Complaint and PAGA Notice, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code sections 2698 *et seq.*, 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, keep requisite payroll records, and reimburse necessary business-related expenses in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders.

(b) Upon the Court's approval of the Settlement Agreement and full funding of the Gross Settlement Amount, Plaintiff, individually and on her own behalf, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties from any and all claims of every nature whatsoever, known or unknown, suspected or unsuspected, asserted or unasserted, which Plaintiff has or may have as of the date of execution of this Settlement Agreement, including but not limited to any and all claims arising out of, relating to, or resulting from Plaintiff's employment and/or separation of employment with Defendant, including any claims arising under any federal, state, or local laws and claims for unpaid wages, penalties, liquidated damages, breach of contract, breach of implied covenant of good faith and fair dealing, wrongful or retaliatory discharge, harassment, discrimination, defamation, impairment of economic opportunity, and violations of public policy, the Fair Labor Standards Act, the California Labor Code, the California Fair Employment and Housing Act, the California Business and Professions Code, the California Constitution, the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, and the Americans with Disabilities Act of 1990. With respect to those claims released by Plaintiff in her individual capacity, Plaintiff acknowledges

and waives any and all rights and benefits available under California Civil Code Section 1542, which provides:

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

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

7. **Governing Law and Interpretation.**

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

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

8. **Amendment.** This Settlement Agreement may not be modified, altered, or changed except in writing and signed by both Parties' counsel, subject to approval by the Court.

9. **Miscellaneous.**

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

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

signature transmitted by facsimile or electronic mail shall have the same effect as the original signature.

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

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

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

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

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

Dated: 09/13/2024

PLAINTIFF CORINA MARTINEZ



Plaintiff Corina Martinez

Dated: 9/12/2024 | 1:02 PM PDT

**DEFENDANT STAGNARO BROS.
SEAFOOD, INC.**

Signed by:



Full Name: Scott McPherson

Title: President

On behalf of Defendant Stagnaro Bros.
Seafood, Inc.

APPROVED AS TO FORM ONLY:

Dated: September 13, 2024

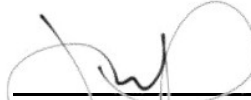
BLACKSTONE LAW, APC



Jonathan M. Genish
Attorneys for Plaintiff Corina Martinez

Dated: September 12, 2024

**HOGUE, FENTON, JONES & APPEL,
INC.**



Jenn M. Protas
Attorneys for Defendant Stagnaro Bros.
Seafood, Inc.

Exhibit A

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

Re: Settlement Payment from *Corina Martinez v. Stagnaro Bros. Seafood, Inc.*, Santa Cruz County
Superior Court Case No. 24CV00082

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

Please find enclosed a check in the amount of <<amount of payment>> (“Individual PAGA Payment”). This check is your payment from the settlement in the lawsuit entitled *Corina Martinez v. Stagnaro Bros. Seafood, Inc.*, Santa Cruz County Superior Court Case No. 24CV00082 (“Action”).

The Action was filed on January 8, 2024 by Corina Martinez (“Plaintiff”) against her former employer Stagnaro Bros. Seafood, Inc. (“Defendant”), on behalf of the State of California, with respect to herself and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA”), for multiple alleged violations of the California Labor Code and Industrial Welfare Commission Wage Orders, including, *inter alia*, for failure to properly pay minimum and overtime wages, failure to provide compliant meal and rest periods and associated premiums, failure to pay wages during employment and upon termination, failure to provide compliant wage statements, failure to keep requisite payroll records, and failure to reimburse business expenses. Prior to initiating the lawsuit, on November 2, 2023, Plaintiff submitted a letter to the California Labor and Workforce Development Agency (“LWDA”), pursuant to PAGA, to provide notice of her intent to seek civil penalties under PAGA for Defendant’s alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders, thereby initiating LWDA Case Number LWDA-CM-991439-23 (“PAGA Notice”).

Defendant denies all of Plaintiff’s allegations and denies any wrongdoing of any kind associated with Plaintiff’s allegations. A settlement was reached between Plaintiff and Defendant.

On <<Date>>, the settlement was approved by the Court, with a portion to be paid to the LWDA and a portion to be paid to all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the PAGA Period (“Aggrieved Employees”). The period November 2, 2022 to November 21, 2024 is the “PAGA Period.”

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

Under the settlement, as of <<date of Court’s approval of the Settlement Agreement and full funding of the Gross Settlement Amount>>, the Released Parties were fully, finally, and forever released, settled, compromised, relinquished, and discharged from the Released Claims.

“Released Parties” means Defendant and its current and former Board Members, officers, directors, managers, members, employees, independent contractors, investors, insurers, trustees, shareholders, parent and subsidiary companies, affiliated entities, counsel, heirs, and assigns .

“Released Claims” means any and all claims arising from any of the factual allegations in the Operative

COVER LETTER

Complaint and PAGA Notice, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code sections 2698 *et seq.*, 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, keep requisite payroll records, and reimburse necessary business-related expenses in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders.

The enclosed check is valid for 180 calendar days from the original date of issuance and mailing, and if it is not cashed, deposited, or otherwise negotiated within the 180-day timeframe, it will be canceled, and the funds associated with the canceled check will be transmitted to the State Controller's Office Unclaimed Property Division in your name and in the amount of your Individual PAGA Payment.

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

Exhibit 3

From: [DIR PAGA Unit](#)
To: [Stephany Sinaguinan](#)
Subject: Thank you for your Proposed Settlement Submission
Date: Thursday, October 3, 2024 12:08:29 PM

[External Email].

10/03/2024 12:08:05 PM

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

Item submitted: Proposed Settlement

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

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

Exhibit 4

Martinez v. Stagnaro Bros. Seafood, Inc.
Santa Cruz County Superior Court Case No. 24CV00082

Date	Type of Expense	Description of Expense	Amount
10/24/2023	Mailing	Records Request to Stagnaro Bros. Seafood, Inc.	\$8.53
11/2/2023	Filing	LWDA: PAGA Notice	\$75.00
11/2/2023	Mailing	PAGA Notice to Stagnaro Bros. Seafood, Inc.	\$8.53
1/8/2024	Filing	Steno: PAGA Complaint & Initiating Docs	\$647.20
2/7/2024	Filing	Steno: Notice and Acknowledgment of Receipt	\$59.95
4/19/2024	Filing	Steno: Case Management Statement	\$59.95
5/3/2024	Filing	Steno: Notice of Remote Appearance	\$59.95
7/22/2024	Mediation	Mediation with Todd Smith	\$8,950.00
8/22/2024	Other	Berger Consulting Group, LLC	\$9,405.00
8/22/2024	Filing	Steno: Case Management Statement	\$59.95
TOTAL:			\$19,334.06