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DAVID HERRERIA TORRES, and all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES-CENTRAL DISTRICT

(*UNLIMITED JURISDICTION*)

DAVID HERRERIA TORRES, as an "aggrieved employee" on behalf of himself and other similarly situated "aggrieved employees" under the Labor Code Private Attorneys General Act of 2004,

Plaintiffs,

vs.

JMG SPECIALTIES, INC., a California corporation; JOSEPH M. GAGE, an individual; and DOES 1 to 25, inclusive,

Defendants.

Case No.: 24STCV05341

DECLARATION OF MARALLE MESSRELIAN IN SUPPORT OF PLAINTIFF'S MOTION FOR APPROVAL OF PAGA SETTLEMENT

Action filed:	March 4, 2024
Hearing Date:	April 2, 2027
Hearing Time:	10:00 a.m.
Hearing Dept:	50, Hon. Teresa A. Beaudet

Reservation ID: 006301682312

DECLARATION OF MARALLE MESSRELIAN

I, MARALLE MESSRELIAN, declare and state as follows:

1. I am an attorney duly licensed to practice before all the Courts of the State of California. I am the managing attorney of MM Law, APC and the attorney of record for Plaintiff David Herreria Torres in his lawsuit against Defendant JMG Specialties, Inc. ("Defendant" or "JMG").

2. Except as otherwise indicated, I have personal knowledge of all matters set forth herein and, if called as a witness, could and would competently testify thereto under oath.

3. A true and correct copy of the PAGA (Private Attorneys General Act, Labor Code § 2698 *et seq.)* Settlement Agreement (the "Settlement or "Agreement") is attached hereto as **Exhibit 1**.

4. A true and correct copy of the parties agreed upon Notice of PAGA Settlement to the below-defined Aggrieved Employees (the "Notice of PAGA Settlement") is attached hereto as **Exhibit 2**.

Factual and Procedural Background

5. JMG first began to employ Plaintiff David Herreria Torres as a welder in or around June/July 2021 to work at its facility located at 28620 Livingston Ave., Valencia, California. Plaintiff's employment ended on or around November 4, 2023.

6. Plaintiff complied with the procedures of Labor Code § 2699.3 for bringing this action under the PAGA. On December 18, 2023, Plaintiff, on behalf of himself and JMG's other California non-exempt hourly employees (hereafter collectively the "Aggrieved Employees") gave written notice by electronic service to the California Labor and Workforce Development Agency ("LWDA") and via certified mail to Defendant of the specific provisions of the California Labor Code alleged to have been violated, including the facts and theories to support the alleged violations (the "PAGA Notice".) The specific provisions alleged to have been violated in the PAGA notice letter included Labor Code sections §§ 201, 202, 203, 204, 226, 226.7, 233, 246, 510, 512, 558, 558.1, 1174, 1194, 1197, 1198, and 2802, and Industrial Welfare Commission Wage Order No. 1-2001. A true and correct copy of Plaintiff's PAGA Notice is

attached hereto as **Exhibit 3**.

7. Upon mutual agreement of the parties, on November 12, 2025, the parties participated in a full-day mediation session with David Oken, Esq., an experienced and well-regarded neutral, who has considerable experience mediating complex wage and hour actions. The negotiations were adversarial and contentious, although professional in nature.

8. In advance of the mediation, the Parties engaged in informal discovery regarding JMG's policies, practices, operations, time and payroll information, and other topics. Specifically, Defendant provided Plaintiff's counsel with information and documents relating to the Aggrieved Employees, including timekeeping and payroll data. Defendant also produced Plaintiff's personnel file, timekeeping records and earnings statements. Through extensive, arm's length negotiations at the mediation, and only after discovery and investigation were performed, the parties agreed to settlement terms. Now that the parties have finalized the PAGA Settlement, Plaintiff submits the PAGA Settlement to this Court for approval.

9. On March 4, 2024, Plaintiff filed an individual and representative action lawsuit, including a cause of action for recovery of civil penalties, against Defendants in the Los Angeles County Superior Court (the "Lawsuit") pursuant to PAGA based on the same allegations set forth in his LWDA letter . Specifically, Plaintiff alleged that Defendants had 1) failed to pay him and the Aggrieved Employees all wages earned for all hours worked at the correct rates of pay; 2) failed to provide meal periods or pay correctly-calculated premium wages in lieu thereof; 3) failed to authorize and permit rest periods or pay correctly-calculated premium wages in lieu thereof; 4) failed to indemnify for business expenses; 5) failed to issue only accurate and complete itemized wage statements; 6) failed to timely pay wages during and upon separation from employment; 7) failed to maintain accurate employment records; 8) failed to provide personnel and pay records; and 9) engaged in unfair competition. A true and correct copy of Plaintiff's Complaint is attached hereto as **Exhibit 4**.

10. While Defendant has agreed to the PAGA Settlement, Defendant denies any liability or wrongdoing of any kind whatsoever associated with the lawsuit. It is the desire of the parties to fully, finally, and forever compromise, and discharge all claims known or unknown

related to those alleged in Plaintiff's lawsuit. Agreement, ¶ 2.1.

11. Counsel for the Parties have further investigated the applicable law as applied to the facts discovered regarding Plaintiff's claims, the defenses thereto, and the Labor Code violations claimed by Plaintiff. I am experienced in prosecuting PAGA lawsuits. Counsel for the Defendant are experienced in defending PAGA cases. Based on the parties' own independent investigations and evaluations, the parties and their respective counsel are of the opinion that the Settlement for the consideration and on the terms set forth in the Agreement are fair, reasonable and adequate and are in the best interests of Plaintiff, the PAGA Employees, the State, and Defendant in light of all known facts and circumstances and the risks inherent in litigation, especially in this post pandemic era, where businesses are struggling to remain afloat, much less prosper and make a large profit.

12. The Settlement of a PAGA claim requires court approval. Lab. Code §2699(l)(2). The Court necessarily has broad discretion in making the decision to approve or reject a settlement for civil penalties as the statutory scheme authorizes the Court to determine whether, in certain circumstances, penalties should be assessed and, if so assessed, the appropriate amount of penalties based on the facts and circumstances of the particular case. Although the PAGA does not set forth the particular standards against which a PAGA settlement should be evaluated, the LWDA has provided guidance for approval that mirrors the standards for evaluating class action settlements.

13. PAGA imposes two requirements for the settlement of a PAGA claim. Both are met here. First, any civil penalties recovered, whether by judgment or settlement, must be distributed as follows: 75 percent to the LWDA, and the remaining 25 percent to the aggrieved employees. *See Moorer v. Noble L.A. Events, Inc*. (2019) 32 Cal.App.5th 736, 742; Cal. Lab. Code, § 2699(i). The parties' Settlement so provides (*See* **Exhibit 1**). Second, the LWDA must be given notice of the settlement so that it may be heard before the Court decides whether to grant approval. Cal. Lab. Code § 2699(l)(2). Here, notice is being given to the LWDA concurrently with the filing of this motion. A true and correct copy of Plaintiff's submission with the LWDA and a confirmation email is attached as **Exhibit 7**. As a result, Plaintiff has met all

procedural statutory requirements for settling a PAGA action.

My Experience and Qualifications

14. In 2003, I earned a Bachelor of the Science degree with a major in Accounting from Cal State University, Northridge. In 2017, I earned a Juris Doctor degree from Southwestern University School of Law.

15. In December of 2017, the Supreme Court for the State of California admitted me as an Attorney and Counselor at Law and licensed me to practice law in all the Courts of this State.

16. I am experienced in handling employment law matters and specifically wage and hour cases. I have been practicing law since 2017. My experience has been almost exclusively in the area of employment law representing employees with claims of wrongful termination, harassment, whistleblower retaliation, discrimination, wage and hour, and family and medical leave violations. I am a member of the California Employment Lawyers Association (CELA).

17. In my representation of employees, I have prosecuted several lawsuits on behalf of employees with claims of rest and meal period and overtime violations or other wage claims.

18. I have been involved in the prosecution of numerous wage and hour class and representative actions at various stages of litigation. A small sampling of the wage and hour class and representative action cases in which I have been counsel of record is as follows:

a) *Joshua Silva v. Payo Laboratories, Inc*., *et al*., San Luis Obispo County Superior Court, Case No. 19CV-0689 (appointed Class Counsel and granted final approval of class action settlement by the court).

b) *Mervin Perkins v. CC Venice, LLC, et al.,* Los Angeles Superior Court, Case No. BC703660 (appointed Class Counsel and granted final approval of class action settlement by the court).

c) *Jashar Bryant v. Pinnacle Cabling & Construction, Inc., et al*., Orange County Superior Court, Case No. 30-2020-01123094-CU-OE-CXC (appointed Class Counsel and granted final approval of class action settlement by the court).

d) *Collins v. Spa Products Import & Distribution Co., LLC*, et al., Los Angeles

County Superior Court, Case No. 19STCV10586 (granted final approval of class action settlement by the court)

e) *Sabrina Slater v. Avalon Care Center – Sonora, L.L.C., et al*., Tuolumne County Superior Court, Case No. CV62006 (granted final approval of class action settlement by the court)

f) *Violet Avalos v. Smithcare Incorporated, et al*., Tulare County Superior Court, Case No. VCU272975 (granted final approval of class action settlement by the court)

g) *David Contreras v. HTX Services LLC, et al*., Los Angeles County Superior Court, Case No. 19STCV43405 (granted final approval of class action settlement by the court)

h) *Devin Cherry v. LA Corral Three, Inc., et al.,* Kern County Superior Court, Case No., BCV-18-101817-DRL (granted final approval of class action settlement by the court)

i) *Vikki Curl and Anthony J. Gratton v. Reel Security Corp., et al.,* Los Angeles County Superior Court, Case No. 18STCV09302 (granted final approval of class action settlement by the court)

j) *Corrine Lashbrook and Joshua Sweat v. Andy's BP, Inc., et al.,* San Mateo County Superior Court, Case No. 19CIV02344 (granted final approval of class action settlement by the court)

k) *Stephen Aguirre and Christopher Walls v. Anlin Industries*, Fresno County Superior Court, Case No. 17CECG04326 (order and judgment approving PAGA settlement by the court)

l) *Rebecca Mallory v. Odyssey Healthcare Operating A, L.P*., Kern County Superior Court, Case No. BCV-19-102735 (order and judgment approving PAGA settlement by the court)

m) *Wendy Chavez v. Texas De Brazil (Fresno) Corporation, et al*., Fresno County Superior Court, Case No. 19CECG04249 (order and judgment approving PAGA settlement by the court)

n) *Kevin Littleton v. Lincoln Military Property Management LP*., San Diego County Superior Court, Case No. 37-2018-00061799-CU-OE-NC (order and judgment

approving PAGA settlement by the court)

o) *Krystal Thomas v. Choice Physicians Network, Inc., et al*., San Bernardino County Superior Court, Case No. CIVDS2013964 (order and judgment approving PAGA settlement by the court)

p) *Otina Sengvong v. Probuild Company, LLC, et al*., United States District Court, Southern District of California, Case No. 3:19-cv-02231-MMA (JLB) (granted final approval of class action settlement by the court)

q) *Orland Perez Avalos v. Milagros Restaurant LLC, et al*., San Mateo County Superior Court, Case No. 22-CIV-01222 (order and judgment approving PAGA settlement by the court)

r) *David Xiqui Vasquez v. The Province LLC, et al*., Santa Clara County Superior Court, Case No. 22CV397541 (order and judgment approving PAGA settlement by the court)

s) *Manuel Melendrez v. Clean Auto Inc., et al*., San Mateo County Superior Court, Case No. 22CIV01967 (order and judgment approving PAGA settlement by the court)

t) *Arturo Vera Lopez v. Green Valley Landscape, et al*., Monterey County Superior Court, Case No, 22CV003751 (order and judgment approving PAGA settlement by the court)

u) *Erasmo Gomez v. A-1 Jay's Machining, Inc., et al*., Santa Clara County Superior Court, Case No. 22CV394795 (order and judgment approving PAGA settlement by the court)

v) *Iris Rodriguez v. Facility Masters, Inc*., Santa Clara County Superior Court, Case No. 23CV423999 (order and judgment approving PAGA settlement by the court)

w) *Mariana Ruelas v. Vista La Mesa Senior Living, Inc., et al*., San Diego Superior Court, Case No. 37-2023-00050755-CU-OE-CTL (order and judgment approving PAGA settlement by the court).

x) *Jose Angel Lopez v. Moreno & Associates, Inc., et al*., Santa Clara Superior Court, Case No. 23CV422622 (order and judgment approving PAGA settlement by the court).

y) *Irma Tapia v. Posada Associates, et al*., Santa Cruz Superior Court, Case No. 23CV00355 (order and judgment approving PAGA settlement by the court).

z) *Andres Ibarra v. Stadco*, et al. Los Angeles Superior Court, Case No. 23STCV26591 (order and judgment approving PAGA settlement by the court).

aa) *Alfredo Betancourt v. L3 Technologies, Inc*., San Mateo County Superior Court, Case no. 23-CIV-05704 (appointed Class Counsel and granted final approval of class action settlement by the court).

bb) *Eduardo Martinez Guizar v. Air Culinaire Worldwide, LLC*, Santa Clara County Superior Court, Case No. 23CV415879 (order and judgment approving PAGA settlement by the court).

cc) *Jesse Altamirano v. Weber Metals, Inc*., Los Angeles Superior Court, Case No. 24STCV05326 (order and judgment approving PAGA settlement by the court).

dd) *Noriell Hoff v. Anthem Mechanical, et al*., Riverside County Superior Court, Case No. CVRI2401199 (order and judgment approving PAGA settlement by the court).

ee) *Lukas Javier v. Hyatt Corporation dba The Seabird*, San Diego County Superior Court, Case No. 37-2024-00018273-CU-OE-NC (order and judgment approving PAGA settlement by the court).

ff) *Nathalie Barcenas v. El Toro Meat Shop*, Orange County Superior Court, Case No. 30-2023-01351414-CU-OE-CXC (order and judgment approving PAGA settlement by the court).

gg) *Ruben Ortiz Salgado v. Bob Baffert Racing, Inc.*, Los Angeles County Superior Court, Case No. 24STCV00686 (appointed Class Counsel and granted final approval of class action settlement by the court).

hh) *Edgar Herrera v. Environmental Remedies, Inc., et al*., Alameda County Superior Court, Case No. 24CV092901 (order and judgment approving PAGA settlement by the court).

ii) *Sahid Irad Magana Segura v. DWH Restaurants, Inc., et al*., Santa Clara County Superior Court, Case No. 24CV428664 (order and judgment approving PAGA

settlement by the court).

jj) *Bethany Clayton, et al. v Saltie Girl LA LLC*, Los Angeles Superior Court Case No. 25STCV14374 (order and judgment approving PAGA settlement by the court).

kk) *Edilberto Paredes v. Heritage Landscape Services, Inc., et al*., San Diego Superior Court, Case No. 37-2024-00004064-CU-OE-CTL (appointed Class Counsel and granted final approval of class action settlement by the court).

ll) *Cruz De Leon Serrano, et al. v. Kohana Coffee, LLC, et al*., Contra Costa Superior Court, Case No. C24-02642 (appointed Class Counsel and granted final approval of class action settlement by the court).

mm) *Adolfo Lozoya Ramirez v. Bemus Landscape, Inc*., Los Angeles Superior Court, Case No. 24STCV08944 (order and judgment approving PAGA settlement by the court).

nn) *Noe Sandoval-Orozco v. Northwest Landscape Maintenance Company*, Santa Clara County Superior Court, Case No. 24CV445484 (appointed Class Counsel and granted final approval of class action settlement by the court).

Exposure and Risk Analysis

19. The PAGA Settlement warrants a presumption of fairness for several reasons: (1) The parties reached the Settlement through arm's-length bargaining with the aid of a respected mediator; (2) The parties conducted sufficient investigation and discovery to allow Counsel and the Court to act intelligently. Plaintiff requested and Defendants provided all policies in effect during the PAGA Period, and time and pay records for the Aggrieved Employees for the PAGA Period; and (3) Counsel for the Parties are experienced with PAGA cases. Moreover, neither Plaintiff nor I have any conflicts of interest with the absent Aggrieved Employees and there are no issues of ascertainability.

20. I considered various sources of information in the lead-up to the mediation of November 12, 2025 that enabled Plaintiff to achieve the Settlement at issue. Among other things, Plaintiff considered the following:

- Defendant produced and Plaintiff's counsel reviewed Plaintiff's personnel file.
- Plaintiff's counsel requested that Defendant provide any and all policies regarding

overtime and double-time wages, off the clock work, expense reimbursement, meal periods, rest breaks, meal period waivers and agreements, compensation plans, and complaints about working conditions in effect during the relevant time period beginning in December of 2022. Defendant produced those policies as part of its employee handbook.

- Plaintiff's counsel requested that Defendant provide the total number of employees, paychecks, and the pay cycles during the relevant PAGA Period. Plaintiff's counsel calculated these figures from the time and pay records produced by Defendant.

- Defendant provided Plaintiff's counsel with time and pay records for the Aggrieved Employees during the relevant PAGA Period. Plaintiff's counsel retained a professional data analyst to examine the records to determine the meal period violation rates, if there was any pay discrepancy in timesheet hours versus paid hours, and if there was any rounding/time shaving issues.

- Plaintiff's counsel analyzed the state of caselaw on PAGA claims, meal and rest break violations, claims for "off the clock" work and business expense reimbursement, especially as it relates to "manageability" arguments brought up by the defense.

21. Based on the time and pay records produced by Defendant, there were approximately 68 Aggrieved Employees who worked approximately 4,165 weekly pay periods during the PAGA Period. Based on this information, Plaintiff's counsel prepared an estimate of the maximum possible civil penalties under the PAGA. The maximum possible civil penalties under the PAGA is the total number of pay periods with one or more violations multiplied by the maximum possible civil penalty amount per pay period.

22. Under the civil penalty formulas applicable under PAGA, Plaintiff's counsel estimated a maximum possible exposure of approximately $606,850 for civil penalties for Plaintiff's strongest disputed claims of failure to provide meal and rest periods. Since the total number of weekly pay periods in the PAGA period was 4,165, the maximum exposure for meal break violations would be $190,350, which is calculated as $50 penalty multiplied by 3,807 pay periods. The maximum exposure for rest break violations would equate to $416,500 ($100 penalty per pay period multiplied by 4,165 pay periods to consider). As such, the aggregate maximum exposure for meal break and rest break claims would be $606,850. The maximum exposure is based on a 100% violation rate and presumes that the Court will not reduce the penalty award as unjust, arbitrary, oppressive, or confiscatory.

23. There are risks to Plaintiff's meal and rest period claims. Defendant contends that, to establish a violation for missed meal periods, a plaintiff must do more than show that a meal break was not taken. *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004. So long as an employer provides employees with a "reasonable opportunity" to take a duty-free meal period, it has no further duty to "police meal breaks and ensure no work thereafter is performed." *Id.* at 1040-41. Instead, a plaintiff must show the employer impeded, discouraged, or prohibited the employee from taking a proper break, or otherwise failed to release the employee of all control. Id. "Thus, the crucial issue with regard to the meal break claim is the reason that a parti7cular employee may have failed to take a meal break." *Washington v. Joe's Crab Shack* (N.D. Cal. 2010) 271 F.R.D. 629, 641. Determining by a review of Defendant's time records the exact reasons why a meal period appears to be short or late would be difficult and pinpointing those days in which Plaintiff and the Aggrieved Employees worked during their meal periods will be a challenge. Moreover, JMG's Employee Handbook contains legally compliant meal period and rest break policies.

24. Defendant contends it provided its non-exempt employees with the opportunity to take rest breaks in accordance with California law, and, accordingly, that Plaintiff's rest break claim has no support. Additionally, there are other risks to Plaintiff's rest period claim. Employers are not required to record rest periods and such periods are paid. Unlike meal periods, where there are often records showing whether an employee clocked out or not, there is no such evidence to prove a missed rest period or that the employer refused to authorize and permit one.

25. As it relates to Plaintiff's other claims, and unlike the arguments for meal/rest period violations, there would be issues with proof. Plaintiff alleges that Defendant did not reimburse him or the other Aggrieved Employees for use of their personal phones for business-related purposes. Moreover, there is a risk that the Court may consider Plaintiff's claims as to Defendant's alleged failure to indemnify for business expenses to be individual in nature. As such, Plaintiff's Counsel had to significantly discount the value of this claim during settlement negotiations. Plaintiff's other claims for violations of Labor Code sections 203, 204, and 226 (for not being paid all wages owed every pay period or at the end of employment as well as not

receiving accurate, itemized wage statements) would not be triggered since they are derivative claims. Based on the above analysis, a gross settlement in the amount of $100,000, which represents approximately 16% of the maximum penalty calculation of $606,850, is a very good result, especially in light of the risk factors as discussed above.

26. Moreover, I am unaware of any California State court decision awarding a plaintiff and the other Aggrieved Employees he represents multiple civil penalties for the same pay period under different Labor Code provisions. As such, one of the risks Plaintiff faces is that the Court would refuse to "stack" civil penalties arising under the various Labor Code statutes. Plaintiff's counsel had to substantially discount the value of these claims in the settlement negotiations for this and a variety of other reasons. At best, Plaintiff could hope to recover one penalty for each pay period (regardless of the different Labor Code violations that potentially occurred for the same employee, during the same pay periods).

27. Additionally, PAGA states a court has discretion to award a lesser amount than the maximum penalty. *See Lab. Code,* § 2699, subd. (e)(2) ("…a court may award a lesser amount than the maximum civil penalty amount specified by this part 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."); *see also Thurman v. Bayshore Transit Management, Inc.* (2012) 203 Cal.App.4th 1112, 1135 (reducing PAGA award). There is a substantial risk that the Court could reduce civil penalties to an insignificant amount if it is unpersuaded by Plaintiff's evidence of willful and intentional conduct. *Carrington v. Starbucks* (2018) 30 Cal.App.5th 504 ("*Carrington*") illustrates this. In that case, the Court of Appeal affirmed a trial court's heavily discounted award of only $5 per violation because it was within the Court's discretion to significantly reduce PAGA penalties even when there is a finding that a violation of the California Labor Code occurred. The plaintiff in *Carrington* had requested penalties in excess of $70 million and was successful in proving the PAGA claim during a bench trial. However, the trial court reduced the total award after trial to only $150,000 (30,000 violations x $5) and stated that this reduction was warranted because imposing the maximum penalty would be "unjust, arbitrary, and oppressive", based on Starbucks's "good faith attempts" to comply with meal break

obligations and because the Court found the violations were minimal. . Applying the same formula here and assuming there was one violation during each pay period, the award of civil penalties could not exceed $20,825 in PAGA penalties (4,165 violations x $5). As such, this Settlement is a great result based solely on the risk the Court chooses to apply the *Carrington* formula. Defendants have also posed formidable defenses to the Labor Code claims underlying Plaintiff's allegations. Thus, the chance of Plaintiff recovering a higher amount than the Gross Settlement Amount is uncertain.

28. The Parties further recognize that the issues presented in the representative PAGA claim are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate to the maximum potential benefits to the Aggrieved Employees and Plaintiff from continued litigation.

29. The settlement of the representative PAGA claim involves monetary relief to all Aggrieved Employees, Plaintiff, his attorneys, and the State of California. The Settlement is reasonable given the uncertainties this lawsuit entails. It is also reasonable given the structure and purpose of the PAGA, since the PAGA is not a restitution statute. Rather, it is essentially a punishment statute. It provides for civil penalties only. Within the PAGA framework he is bound by, Plaintiff, considering the evidence he faced, achieved a good result for the employees concerned. Furthermore, any employees who are dissatisfied with the amount they received in civil penalties can pursue any damages they believe they are owed by the Defendant. The Settlement does not require them to opt out to do so.

30. Furthermore, Plaintiff recognizes that continued litigation presents significant risks that support a significant downward departure from Plaintiff's estimated civil penalties amount. In view of the risks, the Settlement represents a fair, adequate, and reasonable compromise amount for these claims and is in the best interest of Plaintiff and Aggrieved Employees and thus, warrants approval. *See Laguna v. Coverall N. Am., Inc.*, Case No. 12-55479 (9th Cir. June 3, 2014) 2014 WL 2465049, * 3. The PAGA settlement and its terms are fair, just, reasonable, adequate, and equitable to Defendants, Plaintiff, and the State, especially in light of

the current economic climate, and are the product of good faith, and informed arms-length negotiations between the Parties consistent with public policy and fully comply with applicable provisions of law.

31. As such, the settlement of PAGA penalties in the gross sum of $56,459.99, of which 75% of the net amount after attorney's fees, litigation costs, and settlement administration costs ($42,344.99) will be paid to the LWDA and 25% ($14,115.00) will be distributed to the Aggrieved Employees, is reasonable and appropriate under the circumstances.

Individual PAGA Payments

32. Based on the time and pay records produced by Defendant, there were approximately 68 Aggrieved Employees during the PAGA Period. After deducting the requested Court-approved PAGA Counsel's Fees Payment ($33,333.33) and PAGA Counsel's Litigation Expenses Payment ($6,706.68), and the Administration Costs ($3,500.00), the Net Settlement Amount will be approximately $56,459.99 allocated as PAGA Penalties. Seventy five percent (75%) of the PAGA Penalties will be paid to the Labor and Workforce Development Agency ("LWDA") ($42,344.99), and twenty five percent (25%) ($14,115.00) of the PAGA Penalties will be paid to the Aggrieved Employees on a pro-rata basis based upon their respective number of pay periods during the PAGA Period. ¶ 3.2.3.1. With a total of 68 Aggrieved Employees, the average estimated Individual PAGA Payment for each Aggrieved Employee is approximately $207.57 (25% of the estimated PAGA Penalties of $56,459.99) / 68 Aggrieved Employees). This is a good result given the uncertainties this lawsuit entails.

Plaintiff's Individual Settlement

33. Plaintiff negotiated an individual settlement agreement separate from the PAGA Settlement. The parties agreed that the consideration Plaintiff received pursuant to the individual settlement agreement was to settle his individual wage and hour claims.

34. As part of this confidential agreement, Plaintiff also provided Defendant with a general release of all claims, whether known or unknown, including unknown claims covered by Civil Code Section 1542. Plaintiff has no conflict of interest with the absent Aggrieved Employees and is adequate to represent the Aggrieved Employees. Plaintiff has maintained

contact with my office and helped me gather information and evidence to prove the alleged claims and has agreed to remain involved as PAGA representative even if the Court does not approve the Settlement. While Plaintiff and I believe that Plaintiff's individual settlement has no bearing on his adequacy as PAGA Representative, he is willing to present that Settlement to the Court *in camera* for review if the Court requests. It represents a fair resolution for Plaintiff's individual wage and hour claims. See generally Declaration of David Herreria Torres.

35. The PAGA statute does not forbid service awards. Courts frequently award them in PAGA-only cases as well. *See Mancini v. W. & S. Life Ins. Co*. (S.D. Cal. Sept.18, 2018), 2018 WL 4489590, at *2 (approving an incentive award of $5,000 to named plaintiff in a PAGA-only settlement); *see also Kinney v. Harvest Al Mgmt. Sub LLC*, (E.D. Cal. Sept. 6, 2013) 2013 WL 12415482, at *2 (awarding an incentive award of $3,000 to a named plaintiff in a PAGA-only settlement). The work Plaintiff has done on this case includes hiring my firm, speaking with our office on many occasions by phone, explaining what his employment at JMG was like, explaining what his employment at JMG had in common with other employees who worked for JMG, explaining his claims to me and my staff, and communicating with me and my staff about the settlement agreement and related documents. Despite this, Plaintiff is not asking for a service award for his involvement and the time he spent assisting my firm with the PAGA action. *See generally Declaration of David Herreria Torres.*

Attorneys' Fees and Costs

36. I represent Plaintiff on a straight contingency basis. My firm's request for $33,333.33 in attorney fees and $6,706.68 in litigation costs is fair and reasonable. "[R]egardless whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery." (See *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 66, fn.11 ("*Chavez*")); *In re Pacific Enter. Sec. Litig.* (9th Cir. 1995) 47 F.3d 373, 379 ("*Pacific*") [affirming 33% fee award]; *Williams v. MGM-Pathe Communications Co.* (9th Cir. 1997) 129 F.3d 1026, 1027 ("*MGM*") (awarding 33% of total fund amount).) This is also consistent with my experience in wage and hour class and PAGA settlements.

37. To date, I have investigated and prosecuted this matter vigorously, including the

initial intakes; researching the company and past lawsuits against it; drafting the LWDA letter; drafting the lawsuit and preparing the court filing forms; drafting informal discovery questions, reviewing Defendant's informal document production, including wage and hour policies; sending and receiving emails on the case with defense counsel, the legal assistant, and Plaintiff; multiple calls with Defense counsel; multiple calls and text messages with Plaintiff; drafting a comprehensive mediation brief and exposure calculations, engaging in a full day mediation; reviewing the PAGA Settlement Agreement; obtaining bids from settlement administrators; and drafting this PAGA approval motion. I also expect to perform additional work on this case if the Court grants final approval of the Settlement, including supervision of the Administrator's disbursement of the settlement funds to the Aggrieved Employees.

38. My previous experience in litigating wage and hour actions also supports the reasonableness of the fee request. Based on past experience with similar matter, I was able to evaluate the strengths and weaknesses of this case and the reasonableness of the Settlement. Because it is reasonable to compensate me commensurate with my skill, reputation, and experience, attorney's fees of approximately one-third of the Gross Settlement Amount is reasonable. Likewise, the caliber and experience of opposing counsel in labor and employment litigation, Jeffrey A. Hacker of Hacker Law Group, also supports the fairness and reasonableness of the requested fee award. The award of attorneys' fees sought is justified here by the contingency nature of the attorney-client relationship, the risks of non-payment and non-reimbursement, the delay in payment and cost reimbursement, and the great results Plaintiff's Counsel has achieved for the Aggrieved Employees while bearing the substantial burdens of contingency representation.

39. In addition, my firm incurred substantial costs, $6,706.68 to date, which consist of mediator fees, data analyst fees, filing fees, and attorney service fees. A true and correct summary of my firm's costs and expenses incurred to date is attached as **Exhibit 5** to this declaration. I will make detailed copies of such records available to the Court for *in camera* inspection upon its request. As the evidence submitted herewith shows, all of these costs are documented and reasonably incurred. Accordingly, they warrant the Court's approval.

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Settlement Administration Costs

40. With regard to the settlement administration costs provision, it is reasonable. Before agreeing to Phoenix Settlement Administrators ("Phoenix"), the parties sought and reviewed bids from other reputable third-party administrator and Phoenix' bid was the lowest. A true and correct copy of the bid from Phoenix is attached hereto as **Exhibit 6**. Furthermore, the Declaration of Michael E. Moore with attached exhibits, filed under separate cover, sets forth Phoenix' qualifications and costs to administer the settlement. *See generally Declaration of Michael E. Moore, Ex. B.* Thus, the settlement administration costs provision should be given approval.

Notice of Settlement to the LWDA

41. Pursuant to Lab. Code § 2699(l)(2), Plaintiff submitted a copy of the Settlement with the LWDA at the same time the Settlement is being filed with the Court. True and correct copies of Plaintiff's submission with the LWDA and the confirmation email are collectively attached as **Exhibit 7** to this declaration.

I declare under the penalty of perjury of the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed on November 6, 2026 , at Glendale, California.

MARALLE MESSRELIAN,
Declarant

EXHIBIT 1

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between: **(1)** Plaintiff David Herreria Torres ("Plaintiff"), individually and in his representative capacity as a private attorney general on behalf of the State of California; and **(2)** JMG Specialties, Inc. ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."[1]

1. DEFINITIONS

1.1. "Action" means the Plaintiff's lawsuit alleging wage and hour violations against Defendant captioned *David Herreria Torres v. JMG Specialties, Inc., et al.,* case number 24STCV05341, initiated on March 4, 2024, and pending in the Superior Court of the State of California for the County of Los Angeles.

1.2. "Administrator" means the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of this Settlement.

1.4. "Aggrieved Employee" means all individuals who are, or were, employed by Defendant JMG Specialties, Inc. as non-exempt employees in California during the PAGA Period.

1.5. "Aggrieved Employee Data" means Aggrieved Employee identifying information in Defendant's possession including the Aggrieved Employee's name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

1.6. "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.

1.7. "Court" means the Superior Court of the State of California for the County of Los Angeles.

1.8. "Defense Counsel" means Jeffrey A. Hacker, Esq., of ADAMSKI MOROSKI MADDEN CUMBERLAND & GREEN LLP, the attorneys representing Defendant, JMG Specialties, Inc.

[1] This Agreement is based on the Los Angeles County Superior Court's *[Model] PAGA Settlement Agreement* (LASC CIV 298) ("Model Agreement"), with minor modifications to reflect the agreement by the Parties and the facts of the case.

1.9. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) the day the Court enters Judgment.

1.10. "Gross Settlement Amount" means **$100,000.00**, which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment.

1.11. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

1.12. "Judgment" means the judgment entered by the Court based upon the Approval Order.

1.13. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.14. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.15. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.

1.16. "PAGA Counsel" means Maralle Messrelian of MM Law, APC, the attorneys representing the Plaintiff in the Action.

1.17. "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.18. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant JMG Specialties, Inc. for at least one day during the PAGA Period.

1.19. "PAGA Period" means the period from December 18, 2022 through November 12, 2025.

1.20. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.21. "PAGA Notice" means Plaintiff's letter(s) to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a).

1.22. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of PAGA claims.

1.23. "Plaintiff" means David Herreria Torres, the named plaintiff in the Action.

1.24. "Approval Order" means the proposed Order Granting Approval of PAGA Settlement.

1.25. "Released PAGA Claims" means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.

1.26. "Released Parties" means: Defendant JMG Specialties, Inc., Joseph M. Gage, and each of their former and present directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors, assigns, employees, parent and subsidiary companies, affiliates, holding companies, joint ventures, insurers and re-insurers, present and former spouses and heirs.

1.27. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

2. RECITALS

2.1. On December 18, 2023, Plaintiff, on behalf of himself and JMG Specialties, Inc.'s other California non-exempt hourly employees (hereafter collectively the "Aggrieved Employees") gave written notice by electronic service to the LWDA and via certified mail to Defendant of the specific provisions of the California Labor Code alleged to have been violated, including the facts and theories to support the alleged violations (the "PAGA Notice".) On March 4, 2024, Plaintiff commenced this Action by filing an individual and representative action lawsuit against Defendant, which included the following causes of action: 1) Failure to Pay All Wages Earned for All Hours Worked at the Correct Rates of Pay (Lab. Code§§ 510, 1194, 1197, and 1198); 2) Failure to Provide Rest Breaks (Lab. Code §§ 226.7 and 1198);3) Failure to Provide Meal Periods (Lab. Code §§ 226.7, 512 and 1198); 4) Failure to Indemnify (Lab. Code § 2802); 5) Failure to Provide Accurate Itemized Wage Statements (Lab. Code § 226); 6) Failure To Pay Wages When Employment Ends (Lab. Code §§ 201–203); 7) Failure to Pay Wages Owed Every Pay Period (Lab. Code § 204); 8) Failure to Provide Personnel Records; 9) Failure to Provide Pay Records; 10) Civil Penalties (Lab. Code §§ 2698, et seq.)("PAGA"); and 11) Unfair Competition (Bus. & Prof. Code, § 17200q.). The Complaint is the operative complaint in the Action (the "Operative Complaint.")]. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.2. Pursuant to Labor Code section 2699.3, subd. (a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.3. On November 12, 2025, the Parties participated in an all-day mediation presided over by mediator David Oken, Esq. which led to this Agreement to settle the PAGA claims.

2.4. Prior to mediation, Plaintiff obtained, through formal and informal discovery, various documents and information that allowed both sides to evaluate the potential exposure and potential risk of proceeding to trial. Such items include, but are not limited to: the operative employee handbook; policies and procedures related to the claims alleged in the Operative Complaint; Plaintiff's personnel file, payroll and time records; and time and pay records for the Aggrieved Employees for the PAGA Period.

2.5. The Parties, PAGA Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

2.6. Neither Plaintiff, nor PAGA Counsel, have any conflict of interest with Defendant or the Aggrieved Employees.

3. MONETARY TERMS

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay **$100,000.00** and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Approval Order:

3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be $ 33,333.33 and a PAGA Counsel Litigation Expenses Payment of not more than $7,000.00 subject to court approval. Defendant will not oppose requests for these payments provided that they do not exceed these agreed upon amounts. As part of the motion for approval of the Settlement or as a separate motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment, Plaintiff and/or PAGA Counsel will seek Court approval for any PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net

Settlement Amount to be distributed as PAGA Penalties. In the event the Court awards an amount for the PAGA Counsel Fees Payment and/or the PAGA Counsel Litigation Expenses Payment less than the amount requested, the amount awarded shall not constitute a material change to the settlement. However, if the court awards more than the agreed-upon payments which results in a change of the gross settlement, Defendant has the option, but not the obligation, to rescind this settlement. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's counsel arising from any claim to any portion of any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these payments.

3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed $3,500.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than $3,500.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.3. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount currently estimated to be at least $56,166.67 to be paid from the Gross Settlement Amount, with 75% ($42,125.00) allocated to the LWDA PAGA Payment and 25% ($14,041.67) allocated to the Individual PAGA Payments.

3.2.3.1. The Administrator will calculate each Individual PAGA Payment by **(a)** dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties ($14,041.67) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period, and **(b)** multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.3.2. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS

4.1. Aggrieved Employee Pay Periods. Based on a review of its records at the time of the mediation, Defendant estimates there are approximately 68 Aggrieved Employees who worked a total of 4,165 PAGA Pay Periods.

4.2. Aggrieved Employee Data. Within 30 days of the Effective Date, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect the Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3. Funding of Gross Settlement Amount. Provided that the Court approves the Settlement, Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no earlier than September 15, 2026.

4.4. Payments from the Gross Settlement Amount. Within Ten (10) days after Defendant fully funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, and the PAGA Counsel Litigation Expenses Payment. Disbursement of the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than one hundred eighty (180) days after the date of mailing or any remailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database. Together with the Individual PAGA Payments, the Settlement Administrator will issue each Aggrieved Employee an explanatory letter in the form attached as **Exhibit A**.

4.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are retuned undelivered without USPS forwarding address. Within seven (7) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are

returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.4.4. The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS

Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff, PAGA Counsel, and the Aggrieved Employees will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Plaintiff and his respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences during the PAGA Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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.

5.2 Release by Aggrieved Employees. All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents,

attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice, including California Labor Code sections 201, 202, 203, 204, 226, 226.7, 233, 246, 510, 512, 558, 558.1, 1174, 1194, 1197, 1198, and 2802.

5.3 Release by PAGA Counsel. PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

6. MOTION FOR APPROVAL OF SETTLEMENT

Plaintiff agrees to prepare and file a motion for approval of this Settlement.

6.1. Plaintiff's Responsibilities. Plaintiff will prepare all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2), including **(i)** a draft proposed Order Granting Approval of PAGA Settlement; **(ii)** a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; **(iii)** a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and **(iv)** all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their declarations, Plaintiff and PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2. Responsibilities of PAGA Counsel. PAGA Counsel is responsible for expeditiously finalizing and filing the motion for approval of this Settlement no later than thirty (30) days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator. PAGA Counsel shall provide copies of the motion for approval of this Settlement to Defense Counsel at least 10 days prior to filing it with the Court. Plaintiff and PAGA Counsel agree to provide any and all notices to the LWDA required to effectuate this Settlement, including but not limited to the notice required by California Labor Code section 2699 subdivision (l)(2).

6.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will meet and confer in good faith, to

attempt to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will meet and confer, in good faith, to attempt to effectuate this settlement with the understanding that Defendant reserves the right to rescind the settlement because of any material changes by the Court.

7. SETTLEMENT ADMINISTRATION

7.1. Selection of Administrator. The Parties have selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of the Administration Expense Payment. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

7.4. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE

Based on its records as of the date of the mediation, Defendant estimates that there are approximately 68 Aggrieved Employees who worked approximately 4,165 Pay Periods during the PAGA Period. If the number of pay periods worked by the Aggrieved Employees is greater than 10% above that estimated by Defendant(s) (i.e. greater than 4,582) then the GSA shall be increased proportionately for each additional pay period above the 10% buffer. If this escalator clause provision is triggered, the Parties agree that the portion of the Gross Settlement Amount allocated to attorneys' fees will increase proportionally such that the total amount of attorneys' fees remains one-third of the Gross Settlement Amount after the upward adjustment required by the escalator provision is implemented.

9. CONTINUING JURISDICTION OF THE COURT

The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement pursuant to CCP § 664.6 solely for purposes of **(i)** enforcing this Agreement and/or Judgment, **(ii)** addressing settlement administration matters, and **(iii)** addressing such post-Judgment matters as are permitted by law.

9.1. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS

10.1. No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

10.2. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

10.3. Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

10.4. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may

become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

10.5. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

10.6. No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

10.7. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

10.8. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

10.9. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

10.10. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

10.11. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement. The Parties and their counsel agree to keep the settlement confidential, to the maximum extent permitted by law. Plaintiff and Plaintiff's counsel agree, to the maximum extent permitted by law, to refrain from publicizing the fact of the settlement and the terms of the settlement. Neither party will issue any press release or other public or non-public representation regarding the settlement other than as necessary to obtain Court approval and effectuate the terms of the settlement.

10.12. Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) days after the Administrator discharges its obligation to pay out all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendant unless,

prior to the Administrator's payment of all Settlement Funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.

10.13. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

10.14. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

10.15. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

MM LAW, APC
Maralle Messrelian, Esq.
500 N. Brand Blvd., Suite 2000
Glendale, CA 91203
maralle@mmlawapc.com
Tel: 818-810-7747
Facsimile: 818-230-9018

To Defendant:

ADAMSKI MOROSKI MADDEN CUMBERLAND & GREEN LLP
Jeffrey A. Hacker, Esq.
Mailing Address: Post Office Box 3835
San Luis Obispo, CA 93403-3835
jeffh@ammcglaw.com
Telephone: (805) 543-0990
Facsimile: (805) 543-0980

10.16. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.17. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

APPROVAL AND EXECUTION BY PARTIES

PLAINTIFF:

Dated: 09/03/2026

David Herreria Torres (Sep 3, 2026 08:56:24 PDT)

David Herreria Torres
Plaintiff and Private Attorney General

DEFENDANT:

Dated: _____

JMG Specialties, Inc.

_____

By: _____

Title: _____

APPROVED AS TO FORM BY COUNSEL

PAGA COUNSEL:

Dated: 9/3/2026

MM LAW, APC

Maralle Messrelian

Maralle Messrelian, Esq.
Attorneys for Plaintiff

DEFENSE COUNSEL:

Dated: _____

ADAMSKI MOROSKI MADDEN CUMBERLAND & GREEN LLP

_____

Jeffrey A. Hacker, Esq. Attorneys for Defendant

10.17. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

APPROVAL AND EXECUTION BY PARTIES

PLAINTIFF:

Dated: 09/03/2026

David Herreria Torres (Sep 3, 2026 08:56:24 PDT)

David Herreria Torres
Plaintiff and Private Attorney General

DEFENDANT:

Dated: 9/9/2026

JMG Specialties, Inc.

By:

Title: President/Owner

APPROVED AS TO FORM BY COUNSEL

PAGA COUNSEL:

Dated: 9/3/2026

MM LAW, APC

Maralle Messrelian, Esq.
Attorneys for Plaintiff

DEFENSE COUNSEL:

Dated: 9/15/2026

ADAMSKI MOROSKI MADDEN CUMBERLAND & GREEN LLP

Jeffrey A. Hacker, Esq. Attorneys for Defendant

EXHIBIT A

NOTICE OF PAGA SETTLEMENT

David Herreria Torres v. JMG Specialties, Inc., et al.
Los Angeles County Superior Court, Case No. 24STCV05341

<<Settlement Administrator >>
[ ]
[ ]
Telephone: [ ]

«Barcode» «BarcodeString»
SIMID «SIMID»
«FirstName»
«LastName»
«Address1» «Address2»
«City» «State» «Zip»

You are receiving this notice as a result of a lawsuit brought on a representative basis under the Labor Code Private Attorneys General Act of 2004 ("PAGA") [Cal. Lab. Code, §§ 2698, *et seq.*] ("the Action"). The plaintiff in the Action is David Herreria Torres ("Plaintiff") and the defendant is JMG Specialties, Inc. ("Defendant").

The Action seeks to impose civil penalties for purported violations of the California Labor Code on behalf of all persons within the State of California who are or were employed by JMG Specialties, Inc. in the State of California and classified as non-exempt during the PAGA Period of December 18, 2022 through November 12, 2025 (the "Aggrieved Employees"). Defendant denies all claims and allegations in the Action, denies that it owes any penalties, and asserts that it has fully complied with all applicable Labor Code provisions. Nevertheless, to avoid further costs and time in defending the Action, Defendant has settled the Action and the Court has approved the settlement and release of claims. By settling the Action, Defendant is not admitting that it has done anything wrong as of and subject to the occurrence of the Effective Date of the Settlement.

Upon the date that Defendant fully funds the Gross Settlement Amount, Plaintiff, the State of California (including, but not limited to, the LWDA), and the Aggrieved Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released PAGA Claims with respect to Defendant and its past, present and future direct or indirect parent organizations, subsidiaries, divisions, affiliated entities, and its and their partners, officers, directors, trustees, administrators, fiduciaries, employment benefit plans or pension plans or funds, executors, attorneys (including, but not limited to, Defendant's counsel of record in the Action), employees, insurers, reinsurers or agents and their successors and assigns individually and in their official capacities. The released PAGA claims shall include all known or unknown claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice, including California Labor Code sections 201, 202, 203, 204, 226, 226.7, 233, 246, 510, 512, 558, 558.1, 1174, 1194, 1197, 1198, and 2802.

By Order dated <<court approval order date>>, the Superior Court of the State of California, Los Angeles County approved the Settlement of the PAGA claims.

According to Defendant's records, you are an Aggrieved Employee and therefore entitled to a share of the settlement based upon the Court approved allocation. Enclosed with this Notice is your check for your share. The settlement check shall remain valid for 180 days. Thereafter, all uncashed checks shall be distributed to California State Controller's Office Unclaimed Property Fund with an identification of the amount of unclaimed funds attributable to each Aggrieved Employee.

Please Note: One hundred percent (100%) of your individual PAGA payment under this Settlement will be considered penalties, which may be subject to local, state, or federal taxes, and will be reported to the IRS and state tax authorities via Form 1099. You should rely on your own tax advisors as to the tax consequences of your individual PAGA payment. Neither Plaintiff nor Defendant has made any representations or warranties regarding the taxation of your individual PAGA payment. Nothing within this Notice or any other communication shall constitute or be construed or relied upon as tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended). Enclosed are the appropriate tax forms pertaining to your payment.

Do not call or write the Court or Office of the Clerk to ask questions about the settlement or to ask questions about the claims process. If you have any questions, you may call or write to _____ (the Settlement Administrator) using the contact information at the top of this correspondence.

EXHIBIT 2

NOTICE OF PAGA SETTLEMENT

David Herreria Torres v. JMG Specialties, Inc., et al.
Los Angeles County Superior Court, Case No. 24STCV05341

<<Settlement Administrator >>
[ ]
[ ]
Telephone: [ ]

«Barcode» «BarcodeString»
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EXHIBIT 3

MM LAW
A Professional Corporation

500 N. Central Ave., Suite 840
Glendale, CA 91203
Tel: 818-810-7747
Fax: 818-230-9018
maralle@mmlawapc.com

December 18, 2023

NOTICE VIA ONLINE SUBMISSION

California Labor & Workforce Development Agency (LWDA)
Attn: PAGA Administrator
https://dir.tfaforms.net/308

VIA U.S. CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

JMG Specialties, Inc.
Joseph M. Gage
c/o Jeffrey Hacker, Agent
26650 The Old Road, Suite 201
Valencia, CA 91355

Re: David Herreria Torres/JMG Specialties, Inc.
Private Attorneys General Act

To Whom It May Concern:

Pursuant to the Labor Code Private Attorneys General Act of 2004, Labor Code sections 2698, *et seq*. ("PAGA"), Mr. David Herreria Torres (hereafter "Torres") provides notice on behalf of himself and of all individuals currently and formerly employed in California as non-exempt or hourly paid employees (hereafter the "Aggrieved Employees"), by JMG Specialties, Inc., a California corporation, and Joseph M. Gage, an individual, (hereafter collectively "JMG"), of violations of California Labor Code §§ 201, 202, 203, 204, 226, 226.7, 233, 246, 510, 512, 558, 558.1, 1174, 1194, 1197, 1198, and 2802. Joseph M. Gage is being included in this PAGA notice pursuant to Labor Code Section 558.1 as he was and is an owner/director/managing agent of JMG Specialties, Inc., was involved in the day-to-day operations of the business, and as such, controlled the wages, hours, and working conditions of Torres and the other Aggrieved Employees. On behalf of himself and all other Aggrieved Employees, Torres hereby provides this notice to the Labor & Workforce Development Agency and JMG and its agents and representatives.

At all relevant times, JMG has employed persons, conducted business, and engaged in illegal payroll practices and policies, throughout California. Torres and the Aggrieved Employees are "employees" within the meaning of Wage Order 1-2001 (hereafter "the Wage Order") § 2, subdivision (E) and "Aggrieved Employees" within the meaning of Labor Code § 2699, subdivision (c).

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STATEMENT OF FACTS

JMG began to employ Torres in or around June/July of 2021 to work at its facility located at 28620 Livingston Ave. in Valencia, California (previously 29120 Commerce Center Dr #2, Valencia, CA 91355). During his employment tenure, Torres worked in the shipping department and his latest job title was "Welder." JMG continuously employed Torres until on or about November 4, 2023 when his employment ended.

At all relevant times, JMG issued wages to Torres and all of the other Aggrieved Employees on a weekly basis and paid them by the hour. At all relevant times, JMG classified Torres and all of the other Aggrieved Employees as non-exempt employees entitled to the protections of the Labor Code and the Wage Order. During his tenure, Torres generally worked Monday through Friday from 6:00 a.m. to 2:30 p.m., and his latest rate of pay was approximately $20.50 per hour.

JMG failed to pay Torres and other Aggrieved Employees for all time worked or subject to its control. This is so because JMG had a policy wherein it would disproportionately round down the number of hours worked, resulting in "time shaving" and further resulting in Aggrieved Employees not being paid for all hours worked. Moreover, Tores' supervisor, William, as well as the owner, Joseph Gage, would often instruct Torres to continue working after he had already clocked out for the end of his shift. Torres has spent up to two hours continuing to weld after clocking out. Furthermore, and to the extent that Torres and others worked through their meal periods and those meal periods were interrupted, while "off the clock", they were not compensated for all hours worked, which would be akin to a minimum wage violation. Finally, JMG required Torres and the other employees to bring and use their own personal tools and did not pay Torres and others twice the minimum wage rate in violation of Wage Order 1-2001, section 9(B).

Due to the above "off the clock" violations, JMG failed to pay Torres and the Aggrieved Employees properly-calculated overtime wages. The Aggrieved Employees' actual work hours, which included the "off the clock" work as described above, entitled them to overtime, however, it was not company policy to keep accurate track of all hours worked and to pay employees the accurate amount of overtime, especially since the "off the clock" work was not factored into the equation. Furthermore, any incentive payments and/or bonus payments were not factored into employees' regular rate of pay for purposes of deciphering the correct overtime rate of pay. In addition, any bonus and/or incentive payments were not factored into the correct meal and rest break premium pay per *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 863.

JMG failed to provide all compliant meal periods and authorize and permit all compliant rest periods to which Torres and the other Aggrieved Employees were entitled. Torres and other Aggrieved Employees were entitled to take off-duty, uninterrupted 30-minute meal periods before the fifth and tenth hours of work and to take uninterrupted 10-minute rest periods for every four hours or major fraction thereof worked. However, Torres and the Aggrieved Employees did not always receive their meal and rest periods on time due to the workload. During his time in the shipping department, Torres would not be able to take his meal period until 12:00 p.m./1:00 p.m. Moreover, even when Torres and other Aggrieved Employees would be clocked out for a meal

period or would be on their rest breaks, JMG management or ownership would interrupt them with questions about work related matters. Torres was often interrupted by the owner, Joseph Gage, providing work instructions, assigning more tasks, or commenting on his work, among others. On information and belief, JMG did not provide premium wages for these meal and rest break violations; if JMG did provide premium wages, they were not paid at the correct rate, as explained above.

JMG failed to reimburse Torres and the other Aggrieved Employees for business expenses they incurred in direct consequence of the discharge of their duties. During his employment, Torres purchased PPE equipment and clothing, including, but not limited to, special masks for welding, thick shirts, gloves, steel tip shoes. Arrona also purchased numerous tools, including but not limited to, a measuring tape, hammer, framing square, and steel tips, among others, in order to perform his work. However, JMG did not provide these tools and did not reimburse Torres and the other Aggrieved Employees for these tool expenses. JMG also required Torres and the other Aggrieved Employees to use their own personal cell phones to communicate with management concerning work matters. JMG did not reimburse Torres or the other employees for their mobile phone expenses. Accordingly, JMG was in violation of California Labor Code sections 2800 and 2802.

JMG failed to pay its employees all wages due to them within any time period specified by California Labor Code section 204, including the minimum wages and overtime as described above as well as meal/rest break premiums. JMG did not provide Torres and other Aggrieved Employees accurate, itemized wage statements. Wage statements must include, among other things, total hours worked by the employee. Labor Code § 226(a)(2). JMG issued wage statements that inaccurately reflected total hours worked, gross and net wages earned, and the number of hours worked at each hourly rate because of JMG's failure to properly pay wages as explained herein. Labor Code §§ 226(a)(1), (2), (5), (9). JMG' failure to maintain accurate records as to the hours worked daily by employees also constitutes a violation of Labor Code section 1174(d).

JMG failed to provide paid sick leave to Torres and all of the other Aggrieved Employees in violation of Labor Code sections 233 and 246. JMG also failed to provide Torres and all of the other Aggrieved Employees with an itemized wage statement or separate writing that set forth the amount of paid sick leave available.

Finally, because JMG did not properly pay all wages earned as explained herein, JMG also failed to pay final wages owed to Torres and other Aggrieved Employees in violation of Labor Code section 203. These earned but unpaid wages include minimum wages and compensation for all hours worked, overtime compensation, premium pay for missed meal and rest breaks, and business expense reimbursement, among others.

For the reasons herein, on behalf of himself and the Aggrieved Employees, Torres alleges that JMG committed the following violations of the California Labor Code and the Wage Order: 1) failed to pay wages for all time worked or subject to JMG' control, including correctly-calculated overtime wages; 2) failed to provide meal periods or pay correctly-calculated premium wages in

lieu thereof; 3) failed to authorize and permit rest periods or pay correctly-calculated premium wages in lieu thereof; 4) failed to reimburse reasonably necessary business expenses; 5) failed to provide compliant wage statements; 6) failed to maintain accurate records; 7) failed to provide sick leave and/or statements of sick leave available; and 8) failed to timely pay all wages owed during and upon separation of employment.

Accordingly, Torres now seeks civil penalties on behalf of himself and the Aggrieved Employees based on JMG's alleged violations of the California Labor Code and the Wage Order.

THE WAGE ORDER

The Wage Order applies to "all persons employed in the manufacturing industry whether paid on a time, piece rate, commission, or other basis[.]" § 1. The Wage Order defines "manufacturing industry" to include:

> "any industry, business, or establishment operated for the purpose of preparing, producing, making, altering, repairing, finishing, processing, inspecting, handling, assembling, wrapping, bottling, or packaging goods, articles, or commodities, in whole or in part; EXCEPT when such activities are covered by Orders in the: Canning, Preserving, and Freezing Industry; Industries Handling Products After Harvest; Industries Preparing Agricultural Products for Market, on the Farm; or Motion Picture Industry." § 2(H).

At all relevant times, JMG engaged in manufacturing and material handling. Accordingly, Torres and the Aggrieved Employees are entitled to the protections afforded by the Wage Order.

FAILURE TO PAY WAGES FOR ALL HOURS WORKED AT THE CORRECT RATES OF PAY

Labor Code §§ 510, 558, 1194, 1197, and 1198

Labor Code sections 510, 1194, and 1197 require employers to pay the wages agreed to and at least minimum wages for all time under the employer's control, overtime wages for hours worked over eight per day or forty per week at one and one-half times the employee's regular rate of pay, and double-time wages for hours worked over twelve in one day or for the first eight hours of work on the seventh consecutive day of work at two times the employee's regular rate of pay. Labor Code section 558 establishes a civil penalty for violation of Labor Code section 510. Labor Code section 1198 prohibits employers from employing their employees under conditions prohibited by the Wage Order.

JMG failed to pay all minimum, regular, and overtime wages to Torres and other Aggrieved Employees because JMG paid wages based on rounded times, did not pay for off-the-clock work, and failed to pay overtime wages based on correct regular rates of pay.

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FAILURE TO PROVIDE MEAL PERIODS

Labor Code §§ 226.7, 512, and 1198

Employers must provide employees a 30-minute, uninterrupted meal period after no more than five hours of work, and a second such meal period after no more than 10 hours work. Labor Code § 512(a); IWC Wage Order(s) §§ 11(A)-(B); *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal. 4th 1004, 1049. If an employer fails to provide an employee a meal period in accordance with California law, the employer must pay the employee one hour of pay at the employee's regular rate for each work day the meal period is not provided. Lab. Code § 226.7(c); IWC Wage Order(s), § 11(D); *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 863.

JMG failed to provide Torres and other Aggrieved Employees with compliant meal periods and failed to pay one hour of correctly-calculated premium pay for each day such a meal period was not provided.

FAILURE TO AUTHORIZE AND PERMIT REST PERIODS

Labor Code § 226.7 & 1198

The Rest Period section of the applicable Wage Order provides: "Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof." IWC Wage Order(s), § 12(A). If an employer fails to provide an employee a rest period in accordance with California law, the employer must pay the employee one hour of pay at the employee's regular rate for each work day a rest period is not provided. IWC Wage Order(s), § 12(B); Labor Code § 226.7(c); *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 863.

JMG failed to authorize and permit Torres and other Aggrieved Employees to take compliant rest periods and failed to pay one hour of correctly-calculated premium pay for each day such a rest period was not provided.

FAILURE TO PROVIDE ACCURATE WAGE STATEMENTS

Labor Code §§ 226

California employers are required to provide itemized wage statements showing, among other things, "gross wages earned," "total hours worked by the employee," "net wages earned," and "all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee." Labor Code §§ 226(a)(1), (2), (5), (9).

JMG did not provide itemized wage statements accurately reflecting Torres's and other Aggrieved Employees' gross wages earned, total hours worked, net wages earned, and all applicable hourly rates and the number of hours worked at each rate.

FAILURE TO PROVIDE ACCURATE RECORDS
Labor Code §§ 1174, 1174.5, 1198; IWC Wage Order(s), § 7

An employer must maintain payroll records showing hours worked daily by, and wages paid to, its employees, in accordance with rules established by the Industrial Welfare Commission. Labor Code §1174. An employer must also maintain time records showing when each work period, and meal period, begins and ends. IWC Wage Order(s), § 7.

Because JMG rounded employees' time worked, did not record off-the-clock work, and interrupted employees' meal periods, JMG failed to maintain accurate records as to the hours worked daily by employees and as to when each work period and meal period began and ended.

FAILURE TO REIMBURSE FOR EXPENSES
Labor Code §§ 1198, 2802, and 2804

An employer must reimburse its employees for their reasonable business-related expenses. Labor Code § 2802. The right to reimbursement cannot be waived. Labor Code § 2804.

JMG failed to reimburse Torres and other Aggrieved Employees for their reasonable business-related expenses, including PPP equipment, personal tools, and personal cell phones, in effectuating their job duties.

FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT & UPON SEPARATION
Labor Code §§ 201-204

An employer must pay "[a]ll wages, other than those mentioned in Section 201, 201.3, 202, 204.1, or 204.2, earned by any person in any employment…twice during each calendar month, on days designated in advance by the employer as the regular paydays." Labor Code § 204. An employer must pay all wages owed to terminated employees at the time of termination, or within 72 hours to employees who quit. Labor Code §§ 201-202. If an employer willfully fails to timely pay all wages to separated employees, the wages continue at the same rate for up to 30 days, until paid. Labor Code § 203.

As a result of its failure to pay all wages earned, as described above, JMG failed to pay all wages due to Torres and other Aggrieved Employees during and upon separation of employment and violated Labor Code sections 201-204.

FAILURE TO PROVIDE SICK LEAVE &
FAILURE TO PROVIDE NOTICE OF AVAILABLE SICK LEAVE
Labor Code §§ 233, 246

Labor Code section 233 states,

> Any employer who provides sick leave for employees shall permit an employee to use in any calendar year the employee's accrued and available sick leave entitlement, in an amount not less than the sick leave that would be accrued during six months at the employee's then current rate of entitlement, for the reasons specified in subdivision (a) of Section 246.5.

Labor Code § 246 states,

> An employer shall provide an employee with written notice that sets forth the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, for use on either the employee's itemized wage statement described in Section 226 or in a separate writing provided on the designated pay date with the employee's payment of wages.

Labor Code section 246(a)(1) states,

> An employee who, on or after July 1, 2015, works in California for the same employer for 30 or more days within a year from the commencement of employment is entitled to paid sick days as specified in this section.

An employer must pay its non-exempt employees for paid sick leave at the employees' regular rate of pay. Labor Code § 246(l). An Employer must calculate this pay either "in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick leave, whether or not the employee actually works overtime in that workweek" or "by dividing the employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment." Labor Code §§ 246(l)(1)-(2).

JMG failed to provide Torres and all of the other Aggrieved Employees with paid sick leave and/or failed to pay sick leave wages to Torres and other Aggrieved Employees at the employees' regular rates of pay. JMG also failed to provide Torres and all of the other Aggrieved Employees with an itemized wage statement or separate writing that set forth the amount of paid sick leave available. As such, JMG violated Labor Code sections 233 and 246.

PERSON ACTING ON BEHALF OF EMPLOYERS WHO VIOLATES LABOR CODE

Labor Code § 558.1

In relevant part, Labor Code section 558.1 states:

(a) Any employer or other person acting on behalf of an employer, who violates, or causes to be violated, any provision regulating minimum wages or hours and days of work in any order of the Industrial Welfare Commission, or violates, or causes to be violated, Sections 203, 226, 226.7, 1193.6, 1194, or 2802, may be held liable as the employer for such violation.

At all relevant times, Joseph M. Gage was an employer of Torres and all of the other Aggrieved Employees, and/or "owner," "managing agent," and/or "officer" of JMG Specialties, Inc. Joseph

M. Gage directly or indirectly, or through an agent or other person, employed and exercised control over the wages, hours, and/or working conditions of Torres and the Aggrieved Employees, and caused the violations to the Labor Code and the Wage Order described above. On behalf of himself and all of the other Aggrieved Employees, Torres seeks the same civil penalties against Joseph M. Gage on the same grounds for which he seeks civil penalties against JMG Specialties, Inc.

CONCLUSION

As noted above, this letter constitutes the required notice under the California Labor Code Private Attorneys General Act of 2004. Please be advised that David Herreria Torres will seek both reasonable attorneys' fees and costs under Labor Code § 2699, subdivision (g) (1) in a civil action should the LWDA decline to pursue this matter. This letter also serves as a formal notice under the catalyst theory and Code of Civil Procedure §1021.5 to resolve this matter before litigation.

Sincerely,

Maralle Messrelian, Esq.
maralle@mmlawapc.com

EXHIBIT 4

Electronically FILED by
Superior Court of California,
County of Los Angeles
3/04/2024 12:00 AM
David W. Slayton,
Executive Officer/Clerk of Court,
By D. Williams, Deputy Clerk

MARALLE MESSRELIAN (SBN 316974)
maralle@mmlawapc.com
MM LAW, APC
500 N. Brand Blvd., Ste 2000
Glendale, CA 91203
Telephone (818) 810-7747
Facsimile (818) 230-9018

Attorneys for Plaintiff,
DAVID HERRERIA TORRES, and all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES-CENTRAL DISTRICT

(UNLIMITED JURISDICTION)

DAVID HERRERIA TORRES, on behalf of himself, and as an "aggrieved employee" on behalf of other similarly situated "aggrieved employees" under the Labor Code Private Attorneys General Act of 2004,

Plaintiff,

vs.

JMG SPECIALTIES, INC., a California corporation; JOSEPH M. GAGE, an individual; and DOES 1 to 25, inclusive,

Defendant(s).

Case No.: 24STCV05341

COMPLAINT FOR:

1) Failure to Pay All Wages Earned for All Hours Worked (Lab. Code§§ 510, 1194, 1197, and 1198);
2) Failure to Provide Rest Breaks (Lab. Code §§ 226.7 and 1198);
3) Failure to Provide Meal Periods (Lab. Code §§ 226.7, 512 and 1198);
4) Failure to Indemnify (Lab. Code § 2802);
5) Failure to Provide Accurate Itemized Wage Statements (Lab. Code § 226);
6) Failure To Pay Wages When Employment Ends (Lab. Code §§ 201–203);
7) Failure to Pay Wages Owed Every Pay Period (Lab. Code § 204);
8) Failure to Provide Personnel Records;
9) Failure to Provide Pay Records;
10) Civil Penalties (Lab. Code §§ 2698, *et seq*.); and
11) Unfair Competition (Bus. & Prof. Code, § 17200 *et seq*.)

JURY TRIAL DEMANDED

Plaintiff, David Herreria Torres (hereafter "Plaintiff"), on behalf of himself, the State of California, and other Aggrieved Employees, complains and alleges as follows:

INTRODUCTION

1. Plaintiff brings this individual and representative action based on alleged violations of the California Labor Code, Industrial Welfare Commission Order No. 1-2001 (hereafter "the Wage Order"), and the Business and Professions Code, against JMG Specialties, Inc., a California corporation; Joseph M. Gage, an individual; and DOES 1 to 25, inclusive (collectively "JMG" or "Defendants").

2. As set forth in more detail below, Plaintiff alleges that Defendants are liable to him, the State of California, and other similarly situated aggrieved current and former non-exempt hourly employees who worked for Defendants in California at any time during the relevant time period pursuant to California Labor Code section 2698, et. seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA"), for civil penalties and other related relief. These claims are based on Defendants' alleged failures to: (1) pay all wages earned for all hours worked at the correct rates of pay; (2) provide all rest breaks and meal periods; (3) indemnify for business expenses; (4) provide accurate and complete written wage statements; (5) timely pay wages during and upon termination of employment; and (6) fairly compete. Accordingly, Plaintiff now seeks to recover unpaid wages, civil penalties, and related relief through this action.

JURISDICTION AND VENUE

3. This Court has subject matter jurisdiction because the aggregate claims of Plaintiff and the Aggrieved Employees, inclusive of all relief, place more than $25,000 in controversy.

4. There is no basis for federal question subject matter jurisdiction in this case. Specifically, Plaintiff asserts claims on behalf of himself, the State of California, and Aggrieved Employees that solely arise under California law rather than federal law.

5. There is no basis for federal diversity jurisdiction in this case.

6. Venue is proper in Los Angeles County pursuant to California Code of Civil

Procedure § 395(a) and § 395.5 because at least some of the transactions that are the subject matter of this Complaint occurred therein and/or because each defendant is found, maintains offices, transacts business, and/or has an agent therein.

THE PARTIES

7. Plaintiff David Herreria Torres is a resident of Santa Clarita, California. At all relevant times, Plaintiff was an "employee" within the meaning of Title 8 California Code of Regulations Section 11010 and an "Aggrieved Employee" within the meaning of Labor Code Section 2699(c).

8. Defendant JMG Specialties, Inc. is a corporation organized and existing under the laws of California and a citizen of California based on Plaintiff's information and belief.

9. Defendant Joseph M. Gage is a citizen of California based on Plaintiff's information and belief.

10. In relevant part, Labor Code section 558.1 states:

> (a) Any employer or other person acting on behalf of an employer, who violates, or causes to be violated, any provision regulating minimum wages or hours and days of work in any order of the Industrial Welfare Commission, or violates, or causes to be violated, Sections 203, 226, 226.7, 1193.6, 1194, or 2802, may be held liable as the employer for such violation.
>
> (b) For purposes of this section, the term "other person acting on behalf of an employer" is limited to a natural person who is an owner, director, officer, or managing agent of the employer, and the term "managing agent" has the same meaning as in subdivision (b) of Section 3294 of the Civil Code.

11. Based on Plaintiff's information and belief, Defendant Joseph M. Gage is a natural person, and an owner, director, officer, and/or managing agent of JMG Specialties, Inc., who directly or indirectly, or through his agent, employed or exercised control over the wages, hours, or working conditions of Plaintiff and the Aggrieved Employees (defined below). Therefore, he is liable to Plaintiff and the Aggrieved Employees for his violations of, or causing Defendants to violate, Labor Code sections 203, 226, 226.7, 1194, and 2802 pursuant to Labor Code section 558.1.

12. The "Aggrieved Employees" are all current and former non-exempt or hourly paid employees who worked for Defendants in California during the relevant time period

pursuant to California Labor Code section 2698, et. seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA").

13. Plaintiff is ignorant of the true names, capacities, relationships, and extents of participation in the conduct alleged herein, of the defendants sued as DOES 1-25, inclusive, but is informed and believes and thereon alleges that said defendants are legally responsible for the wrongful conduct alleged herein and therefore sues these defendants by such fictitious names. Plaintiff will amend the Complaint to allege the true names and capacities of the DOE defendants when ascertained.

14. Plaintiff is informed and believes and thereon alleges that, at all relevant times herein, all Defendants were the agents, employees and/or servants, masters or employers of the remaining Defendants, and in doing the things hereinafter alleged, were acting within the course and scope of such agency or employment, and with the approval and ratification of each of the other Defendants.

15. Plaintiff is informed and believes and thereon alleges that each and every one of the acts and omissions alleged herein were performed by, and/or are attributable to, all Defendants, each acting as agents and/or employees, and/or under the direction and control of each of the other Defendants, and that said acts and failures to act were within the course and scope of said agency, employment, and/or direction and control.

16. At all relevant times, in perpetrating the acts and omissions alleged herein, Defendants, and each of them, acted pursuant to and in furtherance of a policy, practice, or a lack of a practice which resulted in Defendants not paying Plaintiff and the Aggrieved Employees in accordance with applicable California labor laws as alleged herein.

GENERAL ALLEGATIONS

17. The Wage Order applies to "all persons employed in the mercantile industry whether paid on a time, piece rate, commission, or other basis[.]" § 1. The Wage Order defines "mercantile industry" to include: "any industry, business, or establishment operated for the purpose of purchasing, selling, or distributing goods or commodities at wholesale or retail; or for the purpose of renting goods or commodities." § 2(H). At all relevant times, JMG engaged

in manufacturing and material handling. Accordingly, Plaintiff and the Aggrieved Employees are entitled to the protections afforded by the Wage Order.

18. JMG began to employ Plaintiff in or around June/July of 2021 to work at its facility located at 28620 Livingston Ave. in Valencia, California (previously 29120 Commerce Center Dr #2, Valencia, CA 91355). During his employment tenure, Plaintiff worked in the shipping department and his latest job title was "Welder." JMG continuously employed Plaintiff until on or about November 4, 2023 when his employment ended.

19. At all relevant times, JMG issued wages to Plaintiff and all of the other Aggrieved Employees on a weekly basis and paid them by the hour. At all relevant times, JMG classified Plaintiff and all of the other Aggrieved Employees as non-exempt employees entitled to the protections of the Labor Code and the Wage Order. During his tenure, Plaintiff generally worked Monday through Friday from 6:00 a.m. to 2:30 p.m., and his latest rate of pay was approximately $20.50 per hour.

20. JMG failed to pay Plaintiff and other Aggrieved Employees for all time worked or subject to its control. This is so because JMG had a policy wherein it would disproportionately round down the number of hours worked, resulting in "time shaving" and further resulting in Aggrieved Employees not being paid for all hours worked. Moreover, Tores' supervisor, William, as well as the owner, Joseph Gage, would often instruct Plaintiff to continue working after he had already clocked out for the end of his shift. Plaintiff has spent up to two hours continuing to weld after clocking out. Furthermore, and to the extent that Plaintiff and others worked through their meal periods and those meal periods were interrupted, while "off the clock", they were not compensated for all hours worked, which would be akin to a minimum wage violation. Finally, JMG required Plaintiff and the other employees to bring and use their own personal tools and did not pay Plaintiff and others twice the minimum wage rate in violation of Wage Order 1-2001, section 9(B).

21. Due to the above "off the clock" violations, JMG failed to pay Plaintiff and the Aggrieved Employees properly-calculated overtime wages. The Aggrieved Employees' actual work hours, which included the "off the clock" work as described above, entitled them to

overtime, however, it was not company policy to keep accurate track of all hours worked and to pay employees the accurate amount of overtime, especially since the "off the clock" work was not factored into the equation. Furthermore, any incentive payments and/or bonus payments were not factored into employees' regular rate of pay for purposes of deciphering the correct overtime rate of pay. In addition, any bonus and/or incentive payments were not factored into the correct meal and rest break premium pay per *Ferra v. Loews Hollywood Hotel,* LLC (2021) 11 Cal. 5th 858, 863.

22. JMG failed to provide all compliant meal periods and authorize and permit all compliant rest periods to which Plaintiff and the other Aggrieved Employees were entitled. Plaintiff and other Aggrieved Employees were entitled to take off-duty, uninterrupted 30-minute meal periods before the fifth and tenth hours of work and to take uninterrupted 10-minute rest periods for every four hours or major fraction thereof worked. However, Plaintiff and the Aggrieved Employees did not always receive their meal and rest periods on time due to the workload. During his time in the shipping department, Plaintiff would not be able to take his meal period until 12:00 p.m./1:00 p.m. Moreover, even when Plaintiff and other Aggrieved Employees would be clocked out for a meal period or would be on their rest breaks, JMG management or ownership would interrupt them with questions about work related matters. Plaintiff was often interrupted by the owner, Joseph Gage, providing work instructions, assigning more tasks, or commenting on his work, among others. On information and belief, JMG did not provide premium wages for these meal and rest break violations; if JMG did provide premium wages, they were not paid at the correct rate, as explained above.

23. JMG failed to reimburse Plaintiff and the other Aggrieved Employees for business expenses they incurred in direct consequence of the discharge of their duties. During his employment, Plaintiff purchased PPE equipment and clothing, including, but not limited to, special masks for welding, thick shirts, gloves, steel tip shoes. Arrona also purchased numerous tools, including but not limited to, a measuring tape, hammer, framing square, and steel tips, among others, in order to perform his work. However, JMG did not provide these tools and did not reimburse Plaintiff and the other Aggrieved Employees for these tool expenses. JMG also

required Plaintiff and the other Aggrieved Employees to use their own personal cell phones to communicate with management concerning work matters. JMG did not reimburse Plaintiff or the other employees for their mobile phone expenses. Accordingly, JMG was in violation of California Labor Code sections 2800 and 2802.

24. JMG failed to pay its employees all wages due to them within any time period specified by California Labor Code section 204, including the minimum wages and overtime as described above as well as meal/rest break premiums. JMG did not provide Plaintiff and other Aggrieved Employees accurate, itemized wage statements. Wage statements must include, among other things, total hours worked by the employee. Labor Code § 226(a)(2). JMG issued wage statements that inaccurately reflected total hours worked, gross and net wages earned, and the number of hours worked at each hourly rate because of JMG's failure to properly pay wages as explained herein. Labor Code §§ 226(a)(1), (2), (5), (9). JMG' failure to maintain accurate records as to the hours worked daily by employees also constitutes a violation of Labor Code section 1174(d).

25. JMG failed to provide paid sick leave to Plaintiff and all of the other Aggrieved Employees in violation of Labor Code sections 233 and 246. JMG also failed to provide Plaintiff and all of the other Aggrieved Employees with an itemized wage statement or separate writing that set forth the amount of paid sick leave available.

26. Finally, because JMG did not properly pay all wages earned as explained herein, JMG also failed to pay final wages owed to Plaintiff and other Aggrieved Employees in violation of Labor Code section 203. These earned but unpaid wages include minimum wages and compensation for all hours worked, overtime compensation, premium pay for missed meal and rest breaks, and business expense reimbursement, among others.

27. JMG has also violated Labor Code section 558 and engaged in business practices which violate Business and Professions Code Section 17200.

28. Accordingly, Plaintiff now seeks civil penalties on behalf of himself and the Aggrieved Employees based on JMG's alleged violations of the California Labor Code and the Wage Order.

FIRST CAUSE OF ACTION

FAILURE TO PAY ALL WAGES EARNED FOR ALL HOURS WORKED

(Lab. Code §§ 510, 1194, 1197, and 1198)

(By Plaintiff against all Defendants)

29. Plaintiff incorporates all paragraphs of the Complaint as if fully alleged herein.

30. At all relevant times, Plaintiff was a non-exempt employee of Defendants and entitled to the benefits and protections of California Labor Code §§ 510, 1194, 1197, and 1198, and the Wage Order.

31. Section 2(G) of the Wage Order defines "hours worked" as "the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so."

32. Section 3 of the Wage Order states:

> (A) Daily Overtime - General Provisions
>
> (1) The following overtime provisions are applicable to employees 18 years of age or over and to employees 16 or 17 years of age who are not required by law to attend school and are not otherwise prohibited by law from engaging in the subject work. Such 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 ½) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek. Eight (8) hours of labor constitutes a day's work. Employment beyond eight (8) hours in any workday or more than six (6) days in any workweek is permissible provided the employee is compensated for such overtime at not less than:
>
> (a) One and one-half (1 ½) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours up to and including 12 hours in any workday, and for the first eight (8) hours worked on the seventh (7th) consecutive day of work in a workweek.
>
> (b) Double the employee's regular rate of pay for all hours worked in excess of 12 hours in any workday and for all hours worked in excess of

> eight (8) hours on the seventh (7th) consecutive day of work in a workweek.
>
> (c) The overtime rate of compensation required to be paid to a nonexempt full-time salaried employee shall be computed by using the employee's regular hourly salary as one-fortieth (1/40) of the employee's weekly salary.

33. Section 4 of the Wage Order requires an employer to pay non-exempt employees at least the minimum wage set forth therein for all hours worked, which consist of all hours that an employer has actual or constructive knowledge that employees are working.

34. Labor Code section 510 states:

> Eight hours of labor constitutes a day's work. Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee. Nothing in this section requires an employer to combine more than one rate of overtime compensation in order to calculate the amount to be paid to an employee for any hour of overtime work.

35. California Labor Code § 1194 invalidates any agreement between an employer and an employee to work for less than the minimum wage required under the applicable Wage Order.

36. California Labor Code § 1197 makes it unlawful for an employer to pay an employee less than the minimum wage required under the applicable Wage Order for all hours worked during a payroll period.

37. California Labor Code § 1198 makes it unlawful for an employer to employ an employee under conditions that violate the Wage Order.

38. In conjunction, these provisions of the California Labor Code require employers to pay non-exempt employees no less than their agreed-upon or statutorily mandated wage rates

for all hours worked, including unrecorded hours when the employer knew or reasonably should have known that employees were working during those hours. (*See Morillion v. Royal Packing Co.* (2000) 22 Cal.4th 575, 585.)

39. Defendants required Plaintiff to work in excess of eight (8) hours in one workday and forty (40) hours in one workweek without compensating him for such time worked at the premium rates required by California law.

40. As described more fully above, Defendants failed to pay all minimum, regular, overtime, and double time wages to Plaintiff because Defendants paid wages based on rounded times, did not pay for off-the-clock work, and failed to pay overtime and double time wages based on correct regular rates of pay.

41. As a result of Defendants' unlawful conduct, Plaintiff has suffered damages in an amount, subject to proof, to the extent that he was not paid the full amount of wages earned during each pay period during the applicable limitations period, including minimum, overtime, and double-time wages.

42. As a result of Defendants' conduct, Plaintiff seeks damages and/or restitution for unpaid wages which Defendants failed to pay him at the rates set forth herein, interest thereon, and costs of suit and reasonable attorney's fees pursuant to California Labor Code §§ 1194.

SECOND CAUSE OF ACTION

FAILURE TO PROVIDE REST BREAKS

(Lab. Code §§ 226.7 and 1198)

(By Plaintiff against all Defendants)

43. Plaintiff incorporates all paragraphs of this Complaint as if fully alleged herein.

44. At all relevant times during the applicable limitations period, Plaintiff was a non-exempt employee of Defendants and entitled to the benefits and protections of California Labor Code §§ 226.7, 1198, and the Wage Order.

45. Labor Code § 1198 states,

> "The maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any

employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful."

46. In relevant part, Section 12 of the Wage Order states:

> Rest Periods:
>
> (A) Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate often (10) minutes net rest time per four (4) hours or major fraction thereof. However, a rest period need not be authorized for employees whose total daily work time is less than three and one-half (3 1/2) hours. Authorized rest period time shall be counted as hours worked for which there shall be no deduction from wages.
>
> (B) If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this Order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each work day that the rest period is not provided.

47. In addition, Labor Code Section 226.7 states

> (b) An employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health.
>
> (c) If an employer fails to provide an employee a meal or rest or recovery period in accordance with a state law, including, but not limited to, an applicable statute or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.

48. Pursuant to the Wage Order, Plaintiff was entitled to be provided with net rest breaks of at least ten minutes for each four-hour period of work, or major fraction thereof.

49. Defendants failed to authorize and permit Plaintiff to take compliant rest periods and failed to pay one hour of correctly-calculated premium pay for each day such a

rest period was not provided.

50. As a result of Defendants' unlawful conduct, Plaintiff has suffered damages in an amount subject to proof to the extent he was not paid additional wages owed for all rest breaks not provided to him.

51. By reason of the above, Plaintiff is entitled to premium wages for workdays in which one or more rest breaks were not provided to him pursuant to California Labor Code § 226.7, plus interest and costs.

THIRD CAUSE OF ACTION

FAILURE TO PROVIDE MEAL PERIODS

(Lab. Code §§ 226.7, 512, and 1198)

(By Plaintiff against all Defendants)

52. Plaintiff incorporates all paragraphs of this Complaint as if fully alleged herein.

53. At all relevant times during the applicable limitations period, Plaintiff was a non-exempt employee of Defendants and entitled to the benefits and protections of California Labor Code §§ 226.7, 512 and 1198, and the Wage Order.

54. Labor Code § 1198 states,

> "The maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful."

55. In relevant part, Labor Code Section 512 states

> "An employer may not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30 minutes, except that if the total work period per day of the employee is no more than six hours, the meal period may be waived by mutual consent of both the employer and employee. An employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes, except that if the total hours worked is no more than 12 hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived."

56. In relevant part, Section 11 of the Wage Order states:

Meal Periods:

(A) No employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will complete the day's work the meal period may be waived by mutual consent of the employer and the employee…

(B) If an employer fails to provide an employee a meal period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided.

57. Pursuant to California Labor Code § 512 and the Wage Order, Plaintiff was entitled to be provided with uninterrupted meal periods of at least 30 minutes for each day he worked five or more hours. Pursuant to California Labor Code § 512, Plaintiff was also entitled to a second 30-minute meal period when he worked more than ten (10) hours in a workday.

58. During the relevant time period, Defendants failed to provide Plaintiff with compliant meal periods before the fifth hour of work and failed to pay one hour of correctly-calculated premium pay for each day such a meal period was not provided.

59. As a result of Defendants' unlawful conduct, Plaintiff has suffered damages in an amount subject to proof to the extent he was not paid additional wages owed for all meal periods not provided to him.

60. By reason of the above, Plaintiff is entitled to premium wages for workdays in which one or more meal periods were not provided to him pursuant to California Labor Code § 226.7, plus interest and costs.

FOURTH CAUSE OF ACTION

FAILURE TO INDEMNIFY

(Lab. Code §§ 1198 & 2802)

(By Plaintiff against all Defendants)

61. Plaintiff incorporates all paragraphs of this Complaint as if fully alleged herein.

62. At all relevant times, Plaintiff was a non-exempt employee of Defendants and entitled to the benefits and protections of the California Labor Code §§ 1198 and 2802, and the

Wage Order.

63. In pertinent part, California Labor Code § 2802(a) states:

> An employer shall indemnify his or her employee[s] for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her duties.

64. Section 9(B) of the Wage Order states:

> When tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft.

65. California Labor Code § 1198 prohibits employers from employing their employees under conditions prohibited by the Wage Order.

66. At all relevant times during the applicable limitations period, Defendants required Plaintiff to purchase various PPE equipment, work shoes (steel tip), purchase and use his own tools, and use his own personal cell phone to communicate with management concerning work matters. However, Defendants did not provide Plaintiff with such PPE equipment, uniform items, tools, or a mobile phone, and did not reimburse Plaintiff for these expenses.

67. Plaintiff is informed and believes and thereon alleges that, at all relevant times, Defendants have maintained a policy, practice, or a lack of a policy which resulted in Defendants' failure to indemnify Plaintiff for the reasonable expenses he incurred in the course of performing his duties.

68. By reason of the above, Plaintiff is entitled to reimbursement for all necessary expenditures and losses and interest due and owing to within three years (3) of the date of the filing of the Complaint until the date of entry of judgment pursuant to California Labor Code § 2802(b). Further, Plaintiff seeks reasonable attorney's fees pursuant to Labor Code § 2802(c).

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FIFTH CAUSE OF ACTION

FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

(California Labor Code Section 226)

(By Plaintiff against all Defendants)

69. Plaintiff incorporates all paragraphs of this Complaint as if fully alleged herein.

70. Pursuant to California Labor Code Section 226, every employer must furnish each employee an itemized statement of wages and deductions at the time of payment of wages.

71. Defendants knowingly and intentionally did not furnish Plaintiff with pay stubs that accurately reflected all information required by Labor Code Section 226, including but not limited to, all hours worked, gross wages earned, including overtime, minimum wages, and premium pay for missed meal and rest breaks, net wages earned, total hours worked by the employee, all deductions, and business expense reimbursement. Therefore, Defendants failed to maintain and provide accurate itemized wage statements to Plaintiff in accordance with California Labor Code Section 226(a).

72. Pursuant to California Labor Code Section 226(e), Plaintiff is entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) per employee for each violation in a subsequent pay period, not exceeding an aggregate amount of four thousand dollars ($4,000), plus costs and reasonable attorney's fees. Plaintiff only claims damages under this cause of action pursuant to the 3-year period immediately preceding the date this lawsuit was filed.

73. As a direct and proximate result of Defendants' unlawful conduct, Plaintiff has sustained damages, including loss of earnings, in an amount to be established at trial. As a further direct and proximate result of Defendants' unlawful conduct, as set forth herein, Plaintiff is entitled to recover penalties, in an amount to be established at trial, as well as costs and attorney's fees pursuant to statute.

74. Under this cause of action, Plaintiff prays for penalties due under the statutes alleged along with any allowable interest, penalties, attorney's fees, and costs according to proof at trial.

SIXTH CAUSE OF ACTION

FAILURE TO PAY WAGES WHEN EMPLOYMENT ENDS

(California Labor Code Sections 201-203)

(By Plaintiff against all Defendants)

75. Plaintiff incorporates all paragraphs of this Complaint as if fully alleged herein.

76. Pursuant to California Labor Code Section 201(a), an employer who discharges an employee must immediately pay for all compensation due and owing.

77. Pursuant to California Labor Code Section 202, when an employee resigns, the employer must pay all compensation due and owing within 72 hours of resignation, or on the employee's last day of work, if the employee gives more than 72 hours notice of resignation.

78. Pursuant to California Labor Code Section 203, if an employer willfully fails to pay, without abatement or reduction, any wages of an employee whose employment ends, the wages of the employee shall continue as a penalty from the due date at the same rate until paid or until an action is commenced; however, the wages shall not continue for more than 30 days for failure to pay an employee owed wages.

79. After Plaintiff's employment with Defendants ended, Defendants willfully refused and continue to refuse to pay his unpaid wages as required by Labor Code Section 203.

80. Under this cause of action, Plaintiff prays for penalties due under the statutes alleged along with any allowable interest, penalties, attorney's fees, and costs according to proof at trial. Moreover, Plaintiff prays for the above-mentioned money from 3 years immediately preceding the filing of this lawsuit.

81. Under this cause of action, Plaintiff also prays for attorney's fees and costs under California Labor Code Section 218.5 for time spent pursuing the non-payment of wages as set forth herein. Plaintiff also prays for interest under California Labor Code Section 218.6.

82. Under this cause of action, Plaintiff prays for penalties due under the statutes alleged along with any allowable interest, penalties, attorney's fees, and costs according to proof at trial.

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SEVENTH CAUSE OF ACTION

FAILURE TO PAY WAGES OWED EVERY PAY PERIOD

(**California Labor Code Section 204)**

(By Plaintiff against all Defendants)

83. Plaintiff incorporates all paragraphs of this complaint as if fully alleged herein.

84. California Labor Code Section 204 establishes the fundamental right of all employees in the State of California to be paid wages in a timely fashion for their work.

85. At all times relevant during the liability period, Defendants failed to pay Plaintiff the full amount of all owed wages when due as required by California Labor Code Section 204.

86. Defendants failed to pay Plaintiff all wages earned each pay period. Plaintiff is informed, believes, and thereon alleges, that all times relevant during the applicable limitations period, Defendants maintained a policy or practice of not paying Plaintiff wages for all hours worked, including the minimum wage, overtime hours, double time hours, and premium pay for missed meal and rest breaks.

87. As a result of Defendants' unlawful conduct, Plaintiff has suffered damages in an amount, subject to proof, to the extent he was not paid all wages each pay period. The precise amount of unpaid wages is not presently known to Plaintiff but can be determined directly from Defendants' records or indirectly based on information from Defendants' records.

88. Under this cause of action, Plaintiff prays for penalties due under the statutes alleged along with any allowable interest, penalties, attorney's fees, and costs according to proof at trial.

EIGHTH CAUSE OF ACTION

FAILURE TO PROVIDE PERSONNEL RECORDS

(By Plaintiff against all Defendants)

89. Plaintiff incorporates all paragraphs of this Complaint as if fully alleged herein.

90. Labor Code section 1198.5 dictates "every current and former employee, or his or her representative, has the right to inspect and receive a copy of the personnel records that

the employer maintains relating to the employee's performance or to any grievance concerning the employee."

91. Moreover, pursuant to sub-part (b)(1) of Labor Code section 1198.5, "the employer shall make the contents of those personnel records available for inspection to the current or former employee, or his or her representative, at reasonable intervals and at reasonable times…" On information and belief, Defendants intentionally failed to provide Plaintiff with personnel records when requested by Plaintiff via letter on December 18, 2023, as required by law. Plaintiff requested his personnel records in accordance with California Labor Code section 1198.5(k) on December 18, 2023 via certified U.S. mail.

92. Defendants failed to provide Plaintiff with an opportunity to inspect or copy his records within 30 days. As a direct result of Defendants' violations alleged herein, Plaintiff has suffered and continues to suffer substantial losses related to Defendants' failure to provide personnel records.

93. Plaintiff seeks all available remedies for Defendants' violations including, but not limited to penalties, and costs to the extent permitted by law and according to proof at trial. Pursuant to Labor Code section 1198.5, Plaintiff prays for judgment against Defendants in the amount of $750.00, along with costs and attorney's fees.

NINTH CAUSE OF ACTION

FAILURE TO PROVIDE PAY RECORDS

(By Plaintiff against all Defendants)

94. Plaintiff incorporates all paragraphs of this Complaint as if fully alleged herein.

95. Labor Code section 226 sub-section (b) dictates "an employer…shall afford current and former employees the right to inspect or copy records pertaining to their employment, upon reasonable request to the employer…"

96. Moreover, pursuant to sub-section (c) of Labor Code section 226, "an employer who receives a written or oral request to inspect or copy records pursuant to subdivision (b) pertaining to a current or former employee shall comply with the request as soon as practicable, but no later than 21 calendar days from the date of the request." On information and belief,

Defendants intentionally failed to provide Plaintiff with pay records when requested by Plaintiff via letter, on December 18, 2023, and as required by law. Plaintiff requested his pay records in accordance with California Labor Code section 226 on December 18, 2023, via U.S. certified mail. Defendants failed to provide Plaintiff with an opportunity to inspect or copy his pay records within 21 days.

97. As a direct result of Defendants' violations alleged herein, Plaintiff has suffered and continues to suffer substantial losses related to Defendants' failure to provide pay records. Pursuant to Labor Code section 226, Plaintiff prays for judgment against Defendants in the amount of $750.00, along with costs and attorney's fees.

98. Plaintiff seeks all available remedies for Defendants' violations including, but not limited to, penalties and costs to the extent permitted by law and according to proof at trial.

TENTH CAUSE OF ACTION

CIVIL PENALTIES

(Lab. Code §§ 2698, *et seq.)*

(By Plaintiff against all Defendants)

99. Plaintiff incorporates all paragraphs of this Complaint as if fully alleged herein.

100. Plaintiff is an Aggrieved Employee under the Private Attorneys General Act of 2004 ("PAGA") because he was employed by Defendants during the applicable statutory period and suffered one or more of the violations of the Labor Code set forth in this Complaint. Plaintiff seeks to recover on his own behalf, on behalf of the State of California, and on behalf of all current and former Aggrieved Employees of Defendants, the civil penalties provided by PAGA, plus reasonable attorney's fees and costs in this representative action.

101. During the applicable time period, Defendants violated California Labor Code §§ 201, 202, 203, 204, 226, 226.7, 233, 246, 510, 512, 558, 558.1, 1174, 1194, 1197, 1198, and 2802.

102. California Labor Code §§ 2699(a) and (g) authorize an aggrieved employee, on behalf of themselves and other current or former employees, to bring a civil action to recover civil penalties pursuant to the procedures specified in California Labor Code § 2699.3.

103. Pursuant to California Labor Code §§ 2699(a) and (f), Plaintiff and the Aggrieved Employees are entitled to recover civil penalties for each of the Defendants' violations of California Labor Code §§ 201, 202, 203, 204, 226, 226.7, 233, 246, 510, 512, 558, 558.1, 1174, 1194, 1197, 1198, and 2802 during the applicable limitations period in the following amounts:

A. For violations of California Labor Code § 204, one hundred dollars ($100.00) for each Aggrieved Employee for each initial violation and two hundred dollars ($200.00) for each Aggrieved Employee for each subsequent violation (penalty amounts established by California Labor Code § 210).

B. For violations of California Labor Code § 226(a), two hundred fifty dollars ($250.00) for each Aggrieved Employee for initial violation and one thousand dollars ($1,000.00) for each Aggrieved Employee for each subsequent violation (penalty amounts established by California Labor Code § 226.3).

C. For violations of California Labor Code §§ 510, 512, and 558.1, fifty dollars ($50.00) for each Aggrieved Employee for initial violation and one hundred dollars ($100.00) for each Aggrieved Employee for each subsequent violation (penalty amounts established by California Labor Code § 558).

D. For violations of California Labor Code § 1174, five hundred dollars ($500.00) for each Aggrieved Employee for each violation (penalty amounts established by California Labor Code § 1174.5).

E. For violations of California Labor Code § 1197, one hundred dollars ($100.00) for each Aggrieved Employee for each initial and intentional violation and two hundred fifty dollars ($250.00) for each Aggrieved Employee for each subsequent violation, per pay period (regardless of whether the initial violations were intentionally committed) (penalty amounts established by California Labor Code § 1197.1).

F. For violations of California Labor Code §§ 201, 202, 203, 226.7, 233, 246, 1194, 1198, and 2802, one hundred dollars ($100.00) for each Aggrieved Employee per pay period for each initial violation and two hundred dollars ($200.00) for each Aggrieved

Employee per pay period for each subsequent violation (penalty amounts established by California Labor Code § 2699(f)(2)).

104. Plaintiff has complied with the procedures for bringing suit specified in California Labor Code § 2699.3. By letter dated December 18, 2023, Plaintiff filed written notice online with the Labor and Workforce Development Agency ("LWDA") and gave written notice by certified mail to Defendants of the specific provisions of the California Labor Code alleged to have been violated, including the facts and theories to support the alleged violations. Plaintiff accompanied his LWDA notice with a fee in the amount of $75.00. The LWDA has failed to take action in response within 65 calendar days of the date of Plaintiff's notice, but Plaintiff anticipates that the LWDA will provide written notice to Plaintiff informing him that it does not intend to investigate these allegations.

105. Pursuant to California Labor Code § 2699(g), Plaintiff and the Aggrieved Employees are entitled to an award of civil penalties and reasonable attorney's fees and costs in connection with their claims for civil penalties.

ELEVENTH CAUSE OF ACTION

UNFAIR COMPETITION

(Bus. & Prof. Code §§ 17200, *et seq.*)

(By Plaintiff against all Defendants except Joseph M. Gage)

106. Plaintiff incorporates all paragraphs of this Complaint as if fully alleged herein.

107. At all relevant times during the applicable limitations period, Plaintiff has been an employee of Defendants and entitled to the benefits and protections of the Business and Professions Code §§ 17200, *et seq.*

108. Defendants engaged in unfair competition by failing to 1) pay employees for all hours worked at the correct rates of pay and 2) pay their employees premium wages for workdays during which one or more meal or rest periods were not provided, and 3) reimburse employees for necessary business expenses incurred in the course of performing their duties.

109. The unlawful conduct of Defendants alleged herein amounts to and constitutes unfair competition within the meaning of California Business & Professions Code §§ 17200,

et seq. Due to their unfair and unlawful business practices alleged herein, Defendants have unfairly gained a competitive advantage over other comparable companies doing business in California that comply with their legal obligations to, among other things, pay their employees premium wages for workdays in which they did not provide employees with one or more meal and rest periods, indemnify them for all business expenses incurred during the course of performing their duties, including, but not limited to, PPE, tools, and mobile phone expenses, and pay them all wages earned.

110. As a result of Defendants' unfair competition as alleged herein, Plaintiff has suffered injuries in fact and lost money or property. Defendants failed to pay Plaintiff for all hours worked, failed to provide him with premium wages for missed meal and rest periods, and failed to reimburse Plaintiff for all expenses he incurred in the course of performing his duties.

111. Pursuant to California Business & Professions Code § 17203, Plaintiff is entitled to restitution of all monies rightfully belonging to him that Defendants did not pay him or otherwise retained by means of their unlawful and unfair business practices.

112. Plaintiff is entitled to reasonable attorneys' fees in connection with his unfair competition claims pursuant to California Code of Civil Procedure § 1021.5, the substantial benefit doctrine and/or the common fund doctrine.

113. Accordingly, with respect to this cause of action, Plaintiff prays for the herein stated relief, and an award of all reasonable costs and attorneys' fees, including interest thereon, as permitted by law, all in amounts subject to proof.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment against Defendants as follows:

1. For compensatory damages including lost past and future wages, commissions, and all other sums of money, including employment benefits, together with interest on said amounts, and any other economic injury to Plaintiff, according to proof;
2. For general damages according to proof;
3. For special and consequential damages to the extent allowed by law;

4. For damages and penalties under Labor Code Section 226 for Plaintiff in an amount subject to proof at trial;
5. For damages and penalties pursuant to Labor Code Section 203 in an amount subject to
6. proof at trial;
7. For one hour of wages due to Plaintiff for each work period of more than five (5) hours when Plaintiff did not receive an uninterrupted thirty (30) minute meal period;
8. For one hour of wages due to Plaintiff for each work period of four (4) hours or major fraction thereof when Plaintiff did not receive a ten (10) minute rest break;
9. For maximum civil penalties available under the Labor Code and applicable Wage Order against Defendants as described more particularly in the Complaint;
10. For restitution and disgorgement for all unfair business practices by Defendant JMG SPECIALTIES, INC. against Plaintiff in an amount according to proof;
11. For an order enjoining Defendant JMG SPECIALTIES, INC. from further unfair and unlawful business practices in violation of Business and Professions Code Sections 17200, et seq.;
12. For all remedies available to Plaintiff under the applicable Wage Order and the Labor Code including an award of unpaid wages, attorney's fees, costs, interest, liquidated damages, damages, penalties, and waiting time penalties according to proof to the extent permitted by law;
13. For the imposition of civil penalties and/or statutory penalties;
14. For all interest as allowed by law;
15. For all costs and disbursements incurred in this suit;
16. Reasonable attorney's fees where available by law, including but not limited to, pursuant to, Code of Civil Procedure section 1021.5, Labor Code section 1102.5(j), and/or other applicable laws; and

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17. For such other and further relief as this Court may deem proper.

DEMAND FOR JURY TRIAL

Plaintiff, on behalf of himself and all other Aggrieved Employees, hereby demands a jury trial on all issues so triable.

Dated: March 3, 2024

MM LAW, APC

By _____
Maralle Messrelian, Esq.
Attorney for Plaintiff,
DAVID HERRERIA TORRES, and the
Aggrieved Employees

EXHIBIT 5

David Herreria Torres v. JMG Specialties, Inc., et al.
Superior Court of California, Los Angeles, Case No. 24STCV05341

MM Law, APC: Costs and Expenses	**Total**
LWDA Notice Filing Fee	$ 75.00
Complaint Filing	$ 454.22
Court Filing Costs	$ 264.05
Attorney Service Costs	$ 340.00
Data Analyst Fees	$ 1,000.00
Mediator Fees	$ 4,500.00
PAGA Motion filling fee	$ 73.41
Current Costs through 10/29/2026	$ 6,706.68

EXHIBIT 6

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

December 19, 2025

CASE ASSUMPTIONS	
Class Members	68
Opt Out Rate	N/A
Opt Outs Received	
Total Class Claimants	68
Subtotal Admin Only	**$3,580.77**
Flat Fee Total	**$3,500.00**

For 68 Class Members

Pricing Good for Scope of Estimate Only

All Aspects of Escheating to the State of CA Included

Spanish Translation, Printing & Mailing Included

Case: Torres v. JMG Specialties, Inc., PAGA Administration

Phoenix Contact: Michael E. Moore
Contact Number: 949.331.0131
Email: mike@phoenixclassaction.com

Requesting Attorney: Maralle Messrelian
Firm: MM Law, APC
Contact Number: 818-810-7747
Email: maralle@mmlawapc.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly. Estimate is based on **68** Class Members. Class data **Must** be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of $150 per hour will be charged for any additional analysis or programming. Pricing good for 90 days.

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)			
Administrative Tasks:	**Rate**	**Hours/Units**	**Line Item Estimate**
Programming Manager	$100.00	1	$100.00
Programming Database & Setup	$100.00	1	$100.00
Toll Free Setup*	$100.00	1	$100.00
Call Center & Long Distance	$2.50	11	$27.20
NCOA (USPS)	$10.00	1	$10.00
		Total	**$337.20**

* Up to 120 days after disbursement

Data Merger & Scrub / PAGA Letter & Check / Postage / SpanishTranslation			
Project Action	**Rate**	**Hours/Units**	**Line Item Estimate**
Notice Packet Formatting	$100.00	1	$100.00
Spanish Translation	$150.00	1	$150.00
Data Merge & Duplication Scrub	$0.09	68	$6.12
PAGA Letter and Check Packet	$1.00	68	$68.00
Estimated Postage (up to 1 oz.)*	$0.70	68	$47.60
		Total	**$371.72**

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing PAGA Packets / Tracking & Programming Undeliverables			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Case Associate	$85.00	3	$255.00
Skip Tracing Undeliverables	$0.75	17	$12.75
Remail PAGA Packets	$1.00	14	$14.00
Estimated Postage	$0.70	14	$9.80
Programming Undeliverables	$50.00	1	$50.00
		Total	**$341.55**

Case Management			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Case Associate	$55.00	2	$110.00
Case Manager	$85.00	1	$85.00
		Total	**$195.00**

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Programming Calculations	$135.00	1	$135.00
Disbursement Review	$135.00	1	$135.00
Programming Manager	$95.00	1	$95.00
QSF Bank Account & EIN	$135.00	1	$135.00
Check Run Setup & Printing	$135.00	1	$135.00
		Total	**$635.00**

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Case Supervisor	$75.00	1	$75.00
Remail Undeliverable Checks (Postage Included)	$1.50	10	$15.30
Case Associate	$55.00	2	$110.00
Reconcile Uncashed Checks	$85.00	2	$170.00
Conclusion Reports	$115.00	2	$230.00
Case Manager Conclusion	$85.00	2	$170.00
Final Reporting & Declarations	$115.00	2	$230.00
QSF Annual Tax Reporting * (State Tax Reporting & Escheating Uncashed Checks to the State of CA included)	$700.00	1	$700.00
		Total	**$1,700.30**

* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibilty.

Estimate Total: $3,580.77

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.

2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.

3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.

4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.

5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.

EXHIBIT 7