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Attorneys for Plaintiff SISILIA LEALAO and all others similarly situated

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

SISILIA LEALAO, an individual; on behalf of)
herself and all others similarly situated and the)
general public,

Plaintiffs,

v.

U.S. AVIATION SERVICES CORP., a)
Nevada corporation; and DOES 1 to 100,)
inclusive,

Defendants.

Case No.: 24STCV03049

**Assigned to All Purposes to:
Hon. Lawrence P. Riff
Dept. SSC-7**

**DECLARATION OF SEPIDEH
ARDESTANI IN SUPPORT OF MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

**Date: May 5, 2025
Time: 9:00 AM
Dept.: SSC-7**

1. I am an attorney duly licensed to practice in California and before this Court, and I am a partner with Crosner Legal, P.C., counsel of record for Plaintiff Bryan Ragone in the above-captioned matter. If called to testify as to the facts within, I would and could competently do so.

3. **LWDA PAGA Notices.** Attached hereto as **Exhibit 4** is a true and correct copy of Plaintiff Ragone's PAGA letter to the LWDA and proof of submission.

5. **Settlement Agreement Uploaded to LWDA.** Attached hereto as **Exhibit 6** is a true and correct copy of the proof of submission that the Settlement Agreement was uploaded to the LWDA.

CROSNER LEGAL'S QUALIFICATIONS

-1-

1 of the California Bar since 2010 and have extensive experience in employment matters,
2 including wage and hour litigation. I worked as a wage and hour class action attorney at
3 Gaines & Gaines, APLC from 2012 through 2021 and, prior to joining Gaines & Gaines I
4 worked at Sirkin Law Group as a litigation associate from 2010-2012. I joined Crosner
5 Legal in December 2021 and I am a Partner. I have solely handled employment, wage and
6 hour class actions, and PAGA lawsuits for some 13 years. I was selected for 2020-2021 by
7 Super Lawyers as a “Southern California Rising Star” for employment and labor law.

8 8. Zach Crosner is a 2010 graduate of University San Diego School of Law and
9 he has approximately thirteen years of experience as a practicing attorney. For nearly his
10 entire career, his practice has focused on litigation of wage & hour, consumer, and privacy
11 class action and representative action claims. Following graduation he immediately began
12 working for a nationally recognized plaintiff’s complex litigation firm, CaseyGerry, where
13 he worked directly with past presidents of the consumer attorneys and recipients of trial
14 attorneys of the year awards. He also worked for other firms that included former CAALA
15 and CLAY trial attorney of the year recipients. While with these firms, he advocated for the
16 rights of consumers and employees in class action litigation, civil rights and employment
17 litigation, catastrophic injuries, insurance bad faith and appellate litigation.

18 9. In 2013, he founded the law firm of Crosner Legal, P.C. which since its
19 inception has focused almost exclusively on plaintiff-side class actions lawsuits representing
20 employees, consumers and other victims. Currently, over ninety percent (95%) of his
21 practice is dedicated exclusively to the prosecution of class actions and representative action
22 lawsuits, and his law firm is currently responsible as lead counsel or co-lead counsel for
23 prosecuting over one hundred (100) active wage and hour class actions and/or PAGA
24 representative actions, as well as a multitude of consumer and privacy class actions, in both
25 federal and state courts throughout California. He has been a direct participant in over one
26 hundred (100) class action and/or representative action settlements where he has been
27 approved as adequate lead counsel.
28

1 10. Mr. Crosner has been selected by Super Lawyers as a “Southern California
2 Rising Star” for employment and labor law consecutively from 2018 through 2023. Super
3 Lawyers has also named me on their “Up-and-Coming 100” Southern California Rising
4 Stars List for consecutive years from 2021 through 2023. Only 2.5% of lawyers within
5 California are named a Super Lawyer Rising Star and even less are added to their Top Lists.
6 Additionally, he has been selected as a Top 40 Under 40 Civil Plaintiff Attorney by the
7 National Trial Lawyers, invitation-only organization composed of the premier trial lawyers,
8 from 2019 through 2023. He is an active participant in advocacy groups, including as an
9 executive board member of the Wage and Hour Committee and the Legislative Committee
10 for the California Employment Lawyers Association; a member of the Grassroots Advocacy
11 Team for the National Employment Lawyers Association; Wage and Hour Committee
12 member and Class Action Committee member for the National Trial Lawyers; a member of
13 the American Association for Justice; and a member of the Pound Civil Justice Institute.
14

15 11. Jamie Serb is a partner with Crosner Legal, and graduated from the
16 University of California, San Diego in 2004 and from California Western School of Law in
17 2013. She has been a member of the California Bar since 2013. She gained extensive
18 experience in wage and hour litigation, beginning work as a class action attorney in 2015 at
19 the Mara Law Firm, PC (previously Turley & Mara Law Firm, APLC; Turley Law Firm,
20 APLC). She has handled wage and hour class actions and PAGA lawsuits for over eight
21 years and has assisted in obtaining millions of dollars for employees during her years of
22 practice.

23 12. Crosner Legal, P.C. has obtained several multi-million dollar wage and hour
24 class action settlements while serving as lead class counsel in recent years, including but not
25 limited to a \$1.9 million wage and hour class action settlement in 2015 (*Smith v. Lux Retail*
26 *North America, Inc.*, Case No. 3:13-cv-01579-WHA (N.D. Cal.)); a \$4.1 million wage and hour
27 class action settlement in 2016 (*Aguirre v. Mariani Nut Company, Inc. et al.*, Case No. 34-
28 2016-00190252 (Sacramento Cty. Super Ct.)); a \$1.35 million wage and hour class action

1 settlement in 2017 (*Montelone v. Ocean Cities Pizza, Inc.*, Case No. 56-2014-00458249
2 (Ventura Cty. Super. Ct.)), a \$1.8 million wage and hour class action settlement in 2018
3 (*Latham v. K.W.P.H. Enterprises, Inc. dba American Ambulance*, Case No. 17C-0162 (Kings
4 Cty. Super Ct.)), a \$1.3 million wage and hour class action settlement in 2019 (*Means, et al. v.*
5 *AirGas USA, LLC*, Case No. 17-CV-2160 JGB (C.D. Cal.)), a \$1.5 million wage and hour
6 settlement in 2020 (*Babouchian, et al. v. Wyndham Vacation Ownership, et al.*, Case No. CV18-
7 14601 (San Diego Cty. Super. Ct.)), a \$1.15 million wage and hour class action settlement in
8 2020 (*Buford v. Medical Solutions LLC*, Case No. 4:18-CV-04864-YGR (N.D.Cal.)); a \$7.25
9 million wage and hour class action settlement in 2020 in *Avina, et al. v. First Alarm Security &*
10 *Patrol, Inc.*, Case No. 18CV323753 (Santa Clara Cty. Super Ct.); a \$2.2 million wage and hour
11 class action settlement in 2021 (*Ghorchian, et al. v. West Hills Hospital, et al.*, Case No.
12 LS029737 (Los Angeles Cty. Super. Ct.)); a \$2.85 million dollar wage and hour settlement in
13 2021 (*Valencia v. The Original Mowbray's Tree Service, Inc.*, Case No. CIVDS1825518 (San
14 Bernardino Cty. Super. Ct.)); a \$1 million wage and hour class action settlement in 2022 (*Duong*
15 *v. Loan Factory, Inc.*, Case No. 21CV382467 (Santa Clara Cty. Super. Ct.)), a \$1.4 million
16 wage and hour class action settlement in 2023 in *Correa, et al. v. FedEx Supply Chain, Inc.*,
17 Case No. CIVDS2023369 (San Bernardino Cty. Super. Ct.), a \$2.38 million wage and hour
18 class action settlement in 2023 in *Michel, et al. v. Valley Thrift Store, Inc.*, Case No.
19 21STCV00925 (Los Angeles Cty. Super. Ct.); a \$2.5 million wage and hour class action
20 settlement in 2023 in *Jajuga v. Pilot Travel Centers*, Case No. CIVDS1931464 (San Bernardino
21 Cty. Super. Ct.); \$1.015 million wage and hour class action settlement in 2023 in *Gotishan v.*
22 *Kyo Autism Therapy*, Case No. CGC-21-596378 (San Francisco Cty. Super. Ct); and a \$1.15
23 million wage and hour PAGA settlement in 2023 in *Vaughn v. Public Health Foundation*
24 *Enters., Inc.*, Case No. 21STCV18512 (Los Angeles Cty. Super. Ct.); a \$1.5 million wage and
25 hour class action settlement in *McKinnie v. Iron Mountain*, Case No. 21STCV05707 (Los
26 Angeles Cty. Super. Court); a \$1.3 million wage and hour class action settlement in *Ellsworth,*
27 *et al. v. Hallcon*, Case No. 20STCV06618 (Los Angeles Cty. Super. Court); a \$1.925 million
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1 wage and hour class settlement in 224 in *Lo v. Cyberpower, Inc.*, Case No. 21STCV31479 (Los
2 Angeles Cty. Super. Ct); a \$1.19 million dollar wage and hour class action settlement in 2024
3 in *Herrera v. Signature Flight Support LLC*, Case No. 22STCV18367 (Los Angeles Cty. Super.
4 Ct.); and a \$2.65 million wage and hour class action settlement in 2024 in *Shilevinatz v. Airport*
5 *Terminal Services*, Case No. CIVSB2229072 (San Bernardino Cty. Super Ct.).

6 **BACKGROUND/LITIGATION HISTORY**

7 13. Defendant operates a fleet cleaning and maintenance service business
8 specifically tailored for the airline industry. Defendant employed Plaintiff Rivas as a full-time
9 ramp agent from June 2022 until September 2024. Plaintiff Lealao worked within California as
10 a non-exempt hourly employee for Defendant between 2021 and August 2023. Plaintiff Ragone
11 worked out of the Ontario airport as an hourly-paid Baggage Handler/Ramp Agent for the
12 company for approximately one year until he resigned in December of 2023.

13 14. On January 24, 2024, Plaintiff Rivas filed a putative class action complaint in
14 San Bernardino County Superior Court, captioned *Brandon Rivas v. U.S. Aviation Services*
15 *Corp.*, Case No. CIVSB2403694 (the “*Rivas* action”). On April 22, 2024, the *Rivas* action was
16 removed to the United States District Court – Central District and is pending under Case No.
17 5:24-cv-00855-FWS-SHK before the Honorable Fred W. Slaughter. Similarly, on February 5,
18 2024, Plaintiff Lealao filed a putative class action complaint in Los Angeles County Superior
19 Court, captioned *Sisilia Lealao v. U.S. Aviation Services Corp.*, Case No. 24STCV03049.
20 Lastly, on March 21, 2024, Plaintiff Ragone filed a putative class action complaint in San
21 Bernardino County Superior Court, captioned *Bryan Ragone v. U.S. Aviation Services Corp.*,
22 Case No. CIVSB2409463 (the “*Ragone* action”. On May 22, 2024, the *Ragone* action also was
23 removed to the United States District Court – Central District.

24 15. Together, Plaintiffs allege claims for (1) failure to pay minimum wages;
25 (2) failure to pay overtime wages; (3) failure to provide rest periods and pay missed rest period
26 premiums; (4) failure to provide meal periods and pay missed meal period premiums; (5) failure
27 to maintain accurate employment records; (6) failure to pay wages timely during employment;
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(7) failure to pay all wages earned and unpaid at separation; (8) failure to indemnify all necessary business expenditures; (9) failure to furnish accurate itemized wage statements; (10) unfair business practices; and (11) cause of action for civil penalties under the Private Attorneys General Act of 2004 (“PAGA”).

16. On November 14, 2024, the Parties participated in a global mediation with Cynthia Deck, Esq., a respected wage and hour class action mediator. The mediation lasted a full day and the Parties reached agreement on all major issues. They then formally reduced the proposed settlement to the Agreement now before the Court for approval. The Agreement meets the requirements in the LASC Checklist for Preliminary Approval. The Agreement has also been uploaded to the LWDA.

17. Finally, as part of the tentative settlement, the Parties agreed Plaintiff Lealao would file an amended complaint in this matter for purposes of seeking court approval of the global settlement, to add plaintiffs Rivas and Ragone as party-plaintiffs, and otherwise conform the allegations in the FAC with the terms of the proposed settlement. Consequently, Plaintiff Lealao filed the First Amended Complaint on March 18, 2025. The *Rivas* and *Ragone* Actions then will be dismissed.

INVESTIGATION

18. Prior to the mediation, Defendant provided Plaintiffs with extensive informal discovery, including Plaintiffs’ personnel, time, and payroll records, time records and payroll records for a randomly selected sampling of about 85% of the Class Members,¹ wage statement exemplars, Defendant’s employee handbooks, including Defendant’s policies and procedures regarding the payment of wages, the provision of meal and rest breaks, timekeeping policies (including recording hours), issuance of wage statements, and termination wages, as well as information regarding the number of putative Class Members who are current and former employees, sample arbitration agreements, the number of Aggrieved Employees, the number of

¹ Which sample Plaintiffs’ experts confirmed would be statistically reliable. (Ardestani Decl., ¶ 17.)

workweeks throughout the Class Period, and the number of pay periods throughout the PAGA Period. From this information, Plaintiffs were able to analyze Defendant's liability for the claims asserted in this case and, with the assistance of Plaintiffs' experts at Berger Consulting Group, the potential exposure and damages.

19. Based on this informal discovery, Plaintiffs contend the Class Members were not paid all minimum or overtime wages, did not receive proper expense reimbursement, not provided with legally compliant meal and rest periods, did not receive compliant wage statements, and did not receive all wages due on separation of employment. In considering the reasonableness of the proposed settlement, Plaintiffs considered each of Defendant's counterarguments, which sharply contested Plaintiffs' claims. Plaintiffs' Counsel weighed the strength of Defendant's arguments, including the risks of prevailing at class certification and on the merits, and determined that the proposed settlement is in the best interests of the Class. Although remaining confident in the strength of their claims, all these factors led Plaintiffs to discount the exposure analysis, discussed in detail below.

TERMS OF THE PROPOSED SETTLEMENT

20. The Parties agreed to resolve the matter for the non-reversionary sum of \$705,000.00 ("Gross Settlement Amount" or "GSA") (Agreement, §§ 1.22, 3.1). The GSA includes: (a) attorney's fees of up to \$235,000 (one-third of the GSA) to compensate Class Counsel for work already performed and all work remaining to be performed (Agreement, § 3.2.2.); (b) actual litigation expenses not to exceed \$30,000.00 (*Id.*); (c) a representative enhancement to each Plaintiff not to exceed \$7,500 (\$22,500 total) (Agreement, § 3.2.1); (d) Administration Costs to Apex Class Action, LLC in an amount not to exceed \$25,000.00 (Agreement, § 3.2.3); and (e) PAGA penalties to the LWDA of \$37,500.00 (which is 75% of the \$50,000.00 PAGA Payment, with the remaining 25% or \$12,500.00 to Aggrieved Employees) (Agreement, § 3.2.5). Employer-side payroll taxes (including FICA, FUTA, and SDI) will be paid by Defendant separate and apart from the GSA. (Agreement, § 3.1.)

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2 21. After all Court-approved deductions from the GSA, about \$332,500 (“Net
3 Settlement Amount” or “NSA”), less all applicable employee-side taxes, will be distributed to
4 the estimated 496 Class Members, with an average individual settlement award of around \$670.
5 Additionally, the 25% PAGA Payment (\$12,500.00) will be distributed to the estimated 315
6 Aggrieved Employees, resulting in an average payment of \$39.68 per Aggrieved Employee.
7 Under no circumstances will any portion of the Settlement revert to Defendant. (Agreement,
8 § 3.1.)

9 22. Subject to the terms and conditions of the Settlement, Apex will calculate and
10 issue Individual Settlement Payments to Participating Class Members based on the following
11 formula: (a) dividing the Net Settlement Amount by the total number of Workweeks worked by
12 all Participating Class Members during the Class Period and (b) multiplying the result by each
13 Participating Class Member’s Workweeks. (Agreement, § 3.2.4.)

14 23. Additionally, Apex will calculate and issue payments to Aggrieved Employees
15 based on the following formula: (a) dividing the amount of the Aggrieved Employees’ 25%
16 share of PAGA Penalties (\$12,500.00) by the total number of PAGA Period Pay Periods worked
17 by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each
18 Aggrieved Employee’s PAGA Period Pay Periods. Therefore, the value of each PAGA
19 Member’s share of the PAGA Payment ties directly to the amount of pay periods that he or she
20 worked. (Agreement, § 3.2.5.1)

21 24. The number of pay periods and weeks worked by each Participating Class Member
22 and PAGA Member will be derived from Defendant’s records. (Agreement, § 1.8) Each Class
23 Member’s gross settlement award will be apportioned as follows: 20% wages and 80% penalties
24 and interest. (Agreement, § 3.2.4.1.) Apex will be responsible for issuing Form W-2s for
25 amounts deemed “wages” and Form 1099s for the portions allocated to penalties and interest.
26 (Agreement, § 3.2.4.1.)
27

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2 25. Settlement checks must be cashed or deposited within 180 days after
3 issuance. (Agreement, § 4.4.1.) In the event a settlement check remains uncashed, such
4 uncashed funds shall be transmitted to the State Controller's Office Unclaimed Property
5 Fund in the name of the Participating Class Member and/or Aggrieved Employee.
6 (Agreement, § 4.4.3.). Therefore, there will be no unpaid residue or unclaimed or
7 abandoned Class Member funds under California Code of Civil Procedure section
8 384(a).

9 26. Within twenty days after entry of the Preliminary Approval Order,
10 Defendant will provide Apex with the Class Data, containing each Class Member's first
11 and last name, last known mailing address, Social Security number, total number of
12 weeks worked during the Class Period, and total number of pay periods worked during
13 the PAGA Period. (Agreement, § 4.2.) Apex will maintain the Class Data as private and
14 confidential, but Class Counsel will have access to the Class Data so that nothing shall
15 impede Class Counsel from discharging their fiduciary duties to the Class. (Agreement,
16 § 4.2.)

17 27. Prior to mailing, Apex will perform a search for updated addresses in the
18 National Change of Address Database. (Agreement, § 8.4.2.) Apex will use the NCOA
19 and skip traces to attempt to find current addresses for any Notice returned as
20 undeliverable. For any re-mailed Notice, Apex will extend the Class Member's
21 Response Deadline by 14 calendar days. (Agreement, § 8.4.3-4.) If Apex is unable to
22 obtain a better address for a Class Member, the Notice will be deemed undeliverable.
23 (Agreement, § 8.4.3-4.) Within 14 days after receipt of the class data, Apex will mail
24 via regular First-Class mail the Notice to all Class Members. (Agreement, § 8.4.2.)

25 28. The contents of the Notice are consistent with the terms of the
26 Agreement. The Notice informs Class Members how and when to request exclusion
27 from or object to the settlement and of their estimated payment amount which they will
28

1 automatically receive a settlement payment if they do nothing. The Notice further
2 advises Class Members of the Court's COVID-19 procedures, how to obtain documents
3 filed in the case from the Court, Apex or Class Counsel, how to check the Court's
4 website to find out whether the Final Approval hearing date/location has been changed,
5 directs the Class Member to Apex's website and the Court's website to find out whether
6 final judgment has been entered.

7 29. Class Members will have 60 days from the initial mailing of the Notice
8 to respond to the settlement by submitting a challenge to the number of weeks or pay
9 periods attributed to them, submitting an objection, or requesting to be excluded from
10 the settlement and the consequences of each choice. (Agreement, §§ 1.43, 8.4.4.) The
11 response deadline will be extended for Class Members whose notice is re-mailed.
12 (Agreement, § 8.4.4.) Class Members can object to the settlement in writing via mail or
13 fax by submitting a document with their name, the words "Notice of Objection" or
14 "Formal Objection" and a description of the arguments supporting their objection. Class
15 Members are informed that the Court will hear any objections from any Class Member
16 who attends the Final Approval Hearing. (Agreement, § 8.7.)

17 30. Class Members can also submit a written request for exclusion from the
18 settlement by mailing or faxing a written request, including his or her name, address,
19 and phone number, and a statement demonstrating his or her intent to opt out of the
20 settlement. (Agreement, § 8.5.) The Notice also informs the Class Member/Aggrieved
21 Employees that they can dispute the number of weeks/pay periods allotted to them to
22 calculate their settlement payments by contacting Apex before the Response Deadline
23 and include any documentation supporting the dispute. Apex will investigate the
24 dispute, request additional information from Defendant, and make a final decision as to
25 the number of eligible work weeks/pay periods.
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27
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1 31. Defendant shall fund the settlement within 20 days of the Effective Date.
2 (Agreement, § 4.3.). Apex shall disburse all payments required under this Settlement
3 within 14 calendar days of receipt of the payment. (Agreement, § 4.4.)

4 32. Upon Defendant's payment funding the GSA, Participating Class
5 Members shall forever release the Released Parties² for the Released Claims for the
6 Class Period, as detailed in Section 6.1 of the Agreement. Likewise, upon Defendant's
7 payment funding the GSA, Plaintiffs, the Aggrieved Employees, and the State of
8 California shall forever release the Released Parties for the PAGA Released Claims for
9 the PAGA Period, as detailed in Section 6.2 of the Agreement.

10 33. As discussed below, Plaintiffs' Counsel is convinced that the proposed
11 settlement is in the Class Members' best interests based on the negotiations and a detailed
12 knowledge of the issues present in this action. The length and risks continued litigation that
13 affect the value of the claims were all carefully weighed. In addition, the affirmative defenses
14 asserted by Defendant, the uncertainty of class certification, the difficulties of complex
15 litigation, the lengthy process of establishing specific damages and various possible delays and
16 appeals were also carefully considered by Plaintiffs' Counsel in arriving at the proposed
17 settlement.

18
19 **THE SETTLEMENT MEETS THE DUNK/KULLAR FACTORS AND SHOULD BE**
20 **PRELIMINARILY APPROVED**

21 34. The proposed settlement was reached as a result of arm's-length negotiations.
22 Though cordial and professional, the settlement negotiations have been, at all times, adversarial
23 and non-collusive in nature. Following mediation, Counsel for the Parties further negotiated
24 regarding the settlement terms memorialized in the Agreement.

25
26 _____
27 ² "Released Parties" means Defendant U.S. Aviation Services Corp., United Service Companies, Inc.,
28 and each of their respective former and present directors, officers, shareholders, owners, members,
attorneys, insurers, predecessors, successors, assigns, parents, subsidiaries, and affiliates. (Agreement,
§ 1.41.)

1 35. While Plaintiffs believe in the merits of their case, they also recognize the
2 inherent risks of litigation and understand the benefit of Class Members receiving significant
3 settlement funds immediately as opposed to risking continued litigation in achieving class
4 certification, the merits of the case before and after trial, the damages awarded and/or an appeal
5 that can take several more years to litigate.

6 36. The Parties thoroughly investigated and evaluated the factual strengths and
7 weaknesses of their arguments before reaching the proposed settlement, and engaged in
8 sufficient investigation, research and discovery, referenced above, to support the settlement.
9 The proposed settlement was only possible following significant analysis and evaluation of
10 Defendant's relevant policies and procedures, as well as the data it produced for the putative
11 Class, which permitted Plaintiffs' Counsel and expert to engage in a comprehensive analysis of
12 liability and potential damages to prepare for mediation.

13 37. The proposed settlement was only possible following significant analysis and
14 evaluation of Defendant's relevant policies and procedures, as well as the data that Defendant
15 produced for the Class. This permitted Plaintiffs' Counsel to engage in a comprehensive
16 analysis of liability and potential damages. The discovery conducted resulted in Plaintiffs'
17 central theories of liability, which are based on Plaintiffs' claims that Defendant failed to
18 provide compliant meal and rest periods, failed to pay all minimum and overtime wages, failed
19 to provide accurate, itemized wage statements and failed to pay all wages due on separation of
20 employment. As explained above, Defendant maintains that the discovery produced
21 demonstrates that it would succeed at both class certification and on the merits.

22 38. Plaintiffs believe this case is suitable for certification on the claimed basis that
23 there are company-wide policies that Plaintiffs contend violate California law and uniformly
24 affect the Class Members. However, Defendant's counterarguments raise uncertainties with
25 respect to both class certification and success on the merits given class certification is always a
26 matter of the trial court's sound discretion, and decisions in California have reached different
27 conclusions with respect to certification of wage and hour claims. While remaining confident
28

1 in the strengths of their claims, all of these factors led Plaintiffs to discount the following
2 maximum potential damage claims.

3 39. Defendant provided Plaintiffs with class-wide data from which Plaintiffs'
4 Counsel could extrapolate a damage analysis in preparation of mediation. Prior to mediation,
5 there were a total of about 496 Class Members (336 formerly employed in the limitations
6 period) and 23,444 work weeks in the Class Period. There are also approximately 315 aggrieved
7 employees and 10,833 pay periods within the PAGA Period.

8 40. Plaintiffs first asserted Defendant failed to pay for all hours worked and the he
9 and the Class Members regularly had to work "off the clock," which time was neither accounted
10 nor paid for. Here, Plaintiffs allege Class Members were expected to arrive approximately 25
11 minutes before their shift to charge equipment, such as tugs and belt loaders, used to move
12 luggage and load aircraft. Once the equipment was charged and ready to be used for their shift,
13 Plaintiffs and the Class Members were allowed to clock in and begin their scheduled shift. These
14 demands required Plaintiffs and the Class Members to work off-the-clock approximately 2
15 hours per week without receiving minimum wage for each hour worked.

16 41. Plaintiffs further contend Defendant failed to pay all overtime wages due they
17 were not paid at the proper rate to Plaintiffs and the Class Members. Plaintiffs and the Class
18 Members only received overtime compensation based on their regular base hourly wage, and
19 not based on their regular rate of pay. Here, Plaintiffs allege USAS paid various forms of non-
20 hourly compensation that was not properly accounted for in the "regular rate of pay" for
21 purposes of paying overtime at the correct premium rate. As a result, Plaintiffs allege Defendant
22 regularly underpaid Class Members for their overtime wages. Without considering any of
23 Defendant's defenses to certification or on the merits, Plaintiffs' expert calculated Defendant's
24 maximum exposure for this claim as about \$668,154 on the off the clock claim (based on two
25 hours of OTC work each week; 23,444 work weeks * 2 hours OTC/week * \$14.25/hour avg.
26 min. wage) and about \$1,500 in underpaid overtime premiums on the regular rate claim, as
27 calculated by Plaintiffs' experts.
28

1 42. Plaintiffs also argued Defendant failed to provide legally compliant meal and
2 rest breaks. Specifically, as addressed above, Plaintiffs contend the volume of work Defendant
3 imposed in order to meet operational demands made it difficult if not impossible for the class
4 members to take all required meal and breaks, and further made it difficult to take breaks on a
5 fully compliant basis even when they were able to take one at all. Due to the demands of their
6 jobs, Plaintiffs and the Class Members were regularly required to forgo their meal periods
7 altogether. Additionally, when Plaintiffs and the Class Members were provided meal periods,
8 they were on-duty and therefore noncompliant. For example, Plaintiffs allege Defendant
9 expected Plaintiffs and the Class Members to continue working to finish orders during their
10 meal periods. According to Plaintiffs' experts' analysis of the sample records for the Class
11 Members shows 43.9% of shifts between 5 and 6 hours did not include a recorded meal period
12 at all, and that about 81.8% of shifts greater than 10 hours did not include a recorded meal
13 period. Plaintiffs also allege that, in addition to failing provide compliant meal periods,
14 Plaintiffs and the Class Members were not compensated with an additional hour of pay at their
15 regular rate of compensation when they were not provided with a compliant meal period as
16 required under Labor Code § 226.7(b).
17

18 43. For similar reasons, Plaintiffs contend Defendant also failed to provide Class
19 Members with required rest breaks. Per Plaintiffs, they were told that their rest periods consisted
20 of the time in which a plane had not arrived, but otherwise they were not designated or allowed
21 to take uninterrupted 10-minute rest periods. Thus, Plaintiffs claim that due to the demands of
22 the job Class Members were frequently required to skip their rest periods entirely. Further,
23 Plaintiffs argued Defendant has an unlawful policy requiring employees remain on premises
24 during their rest periods.

25 44. Defendant denied Plaintiffs' contentions, claiming it made meal and rest breaks
26 available to Class Members in compliance with California law. Defendant contended its meal
27 and rest break policies are lawful and that Class Members were frequently reminded via training
28 and supervisors, that they were required to take all meal and rest breaks. Defendant also contend

1 that time records demonstrate that Class Members took duty-free, timely meal and rest breaks.
2 Defendant argued its meal and rest break policies and practices comported with the flexibility
3 the *Brinker* court held was integral to California's meal and rest period requirements. Finally,
4 Defendant argued that Plaintiffs' meal and rest break claims are not susceptible to common
5 proof, as the claims would require individualized inquiry, including whether there was an
6 unlawful companywide policy, whether employees had the opportunity to take meal and rest
7 periods, whether they voluntarily chose to forego their meal and rest periods, and whether
8 Defendant ever prevented them from taking meal and rest periods. Accordingly, Defendant
9 contend these claims are vulnerable to a ruling that class treatment is not appropriate. Without
10 taking into consideration any of Defendant's defenses to certification or on the merits, Plaintiffs
11 calculated Defendant's maximum exposure for the meal break claims as approximately
12 \$234,462 (72,294 eligible shifts * 19.1% unique violation rate * \$16.98/hour avg. reg. rate), and
13 about \$1,386,722 on the rest break claims (81,668 eligible shifts * 100% violation rate *
14 \$16.98/hour avg. reg. rate).
15

16 45. Plaintiffs also allege Defendant required Plaintiffs and the Class Members to use
17 their personal cell phones for work related purposes, as noted above, primarily for
18 communicating with supervisors during a shift regarding needed work. However, Defendant
19 failed to reimburse employees for the use of their personal cell phones *Cochran v. Schwan's*
20 *Home Service, Inc.* (2014) 228 Cal.App.4th 1137, it was held that § 2802 requires employers to
21 always reimburse employees who are required to use personal cell phones for work-related calls
22 for a reasonable percentage of their cell phone bills. On the other hand, Defendant argued there
23 was no reason for employees to use their own phones while working, and any other use was
24 purely for personal preference and therefore not reimbursable. Without taking into
25 consideration any of Defendant's defenses to certification or on the merits, Plaintiffs calculated
26 Defendant's maximum exposure for expense reimbursement as about \$117,220 (\$23,444 work
27 weeks * \$5/week).
28

1 46. Plaintiffs' claims for inaccurate wage statements and waiting time penalties are
2 derivative of the unpaid wage claims. Should those claims fail, Plaintiffs' claim for inaccurate
3 wage statements and waiting time penalties would also fail. Defendant also contends it would
4 not be liable for waiting time penalties because a "good faith dispute" exists over the payment
5 of past wages. Without taking into consideration any of Defendant's defenses to certification or
6 on the merits, Plaintiffs calculated Defendant's maximum exposure for wage statement
7 penalties as \$862,200 (304 initial violations * \$50/violation + 8,470 subsequent violations *
8 \$100/violation) and waiting time penalties as \$1,369,267 (336 former employees * (240 hours
9 * \$16.98/hour)).

10 47. As far as potential PAGA liability, the theoretical civil penalties likely exceed
11 \$3.7 million should Plaintiffs prevail on all claims and establish violations of the multiple Labor
12 Code sections at issue. As with the class claims, Plaintiffs discounted the potential PAGA
13 penalties based on Defendant's various defenses on the merits and also accounted for the
14 Court's wide discretion to reduce such penalties, or to decline to award penalties at all.
15 Accordingly, the Parties allocated \$50,000 to PAGA penalties. I submit this amount is
16 reasonable under the circumstances and in line with comparable settlements in other wage and
17 hour class actions in California. Additionally, the LWDA has been informed of the terms of the
18 PAGA portion of the settlement, and will be able to weigh in as necessary.

19 48. Thus, Defendant raised various and multi-layered defenses to each of Plaintiffs'
20 claims, anyone of which, if successful, could have decimated Plaintiffs' case. And Defendants
21 vowed to raise all these defenses on both class certification and at trial. The settlement obviates
22 the significant risk that this Court may find any kind of class or representative resolution
23 unachievable or deny certification of all or some of Plaintiffs' claims. Furthermore, even if
24 Plaintiffs obtained certification of all or some of the claims, continued litigation would be
25 lengthy and expensive as the parties pursued merits discovery, a probable motion to decertify,
26 as well as trial and possible appeals, and would further and substantially delay any recovery by
27 the class with no assurance of recovering significantly more than the proposed settlement. While
28

1 Plaintiffs, co-counsel and I are confident in the merits of these claims, legitimate controversies
2 exist regarding each one of them. We also recognize proving the amount of wages and penalties
3 due each Class Member would be an expensive, time-consuming, and uncertain proposition.

4 49. Plaintiffs, co-counsel and I discounted the value of the class claims consistent
5 with the risks discussed above, as well as the potential applicability of arbitration agreements
6 signed by many class members. We carefully weighed the likelihood of the class receiving
7 substantially greater benefit if the litigation continued, and concluded – in light of these very
8 real and substantial risks – settlement on the proposed terms and without prolonged and costly
9 litigation was in the best interests of the class. The overall \$705,000 recovery represents a
10 significant percentage of Defendant’s potential exposure and, given Defendant’s multi-layered
11 defenses and all other potential risks of continued litigation, a total recovery for the class of
12 \$705,000, which will result in average award of some \$670 per class member, plus additional
13 sums under PAGA, is a significant result well within the range of reasonableness considering
14 all potential outcomes, and it will provide direct monetary awards to all Class Members without
15 further delay.
16

17 **Provisional Class Certification Should be Granted**

18 50. First, the class is both sufficiently numerous, consisting of approximately 496
19 individuals, and ascertainable by reference to Defendant’s personnel and payroll records.

20 51. Plaintiffs contend their claims are typical of the Class Members’ claims because
21 they arise from the same factual basis and are based on the same legal theories applicable to the
22 Class Members. Plaintiffs further contend Defendant’s policies applied to all Class Members
23 and each Class Member is challenging the same policies and practices. As such, the typicality
24 requirement is satisfied for purposes of settlement. Each Plaintiff has been and will continue to
25 be committed to vigorously prosecuting this case, and they have no conflicts of interest with the
26 Class. For these reasons, Plaintiffs each contends he or she is an adequate class representative.

27 52. Next, common questions of law and fact predominate – particularly for purposes
28 of a settlement class – as the Class Members all were subject to the same meal and rest break

1 policies and alleged “de facto” policies resulting in meal period violations, and similarly subject
2 to the same improper regular rate policy. Since the focus of the claims against Defendant
3 concerns the legality of common policies applied uniformly to the entire class, common issues
4 predominate over individualized inquiries concerning liability. For instance, Defendant’s meal
5 and rest break policy is company-wide policy applied equally and consistently to all class
6 members, and this policy is either compliant with California law or it is not. Regardless of that
7 determination, it will decide liability for all class members one way or another. Similarly,
8 whether USAS properly calculated and paid for overtime is another question common to all
9 class members.

10 53. Resolving this matter as a class action is superior to other available means for
11 the fair and efficient adjudication of this controversy for multiple reasons, including inter alia:
12 (a) individual joinder of all members of the class is impractical, (b) class action treatment will
13 permit a large number of similarly situated persons to resolve their common claims in a single
14 forum simultaneously, efficiently, and without unnecessary duplication of effort and expense;
15 and (c) the damages suffered by many of the individual class members are relatively small and
16 the expenses and burden of individual litigation would make it difficult or impossible for them
17 to seek redress on their own.

18
19 **Apex Should be Appointed as the Settlement Administrator**

20 54. The Parties agreed to use Apex Class Action, LLC as the Settlement
21 Administrator in this matter. (Agreement, § 1.2). Apex is highly qualified and experienced as a
22 settlement administrator, committed to the security of data (having experienced no data
23 breaches at all), carries insurance for the theft of money or data, and has no relationship with
24 Counsel.

25 **Notice to Class Members Complies With California Rule of Court 3.769(f)**

26 55. California Rule of Court 3.769(f), provides: “If the court has certified the action
27 as a class action, notice of the final approval hearing must be given to class members in the
28 manner specified by the court. The notice must contain an explanation of the proposed

1 settlement and procedures for class members to follow in filing written objections to it and in
2 arranging to appear at the settlement hearing and state any objections to the proposed
3 settlement.” Here, the proposed Notice meets all of these requirements, as it advises Class
4 Members of their rights to participate in the settlement, how to and when to object to or request
5 exclusion from the settlement, and the date, time, and location of the final approval hearing.
6 Class Members need not do anything to receive their *pro rata* share of the settlement.

7 56. For all the foregoing reasons, I respectfully request that the Court preliminarily
8 approve the settlement in all particulars.

9 I declare under penalty of perjury under the laws of the State of California that the
10 foregoing is true and correct. Executed this 7th day of March, at Los Angeles, California.
11

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15 _____
16 Declarant
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EXHIBIT

1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between: **(1)** Plaintiffs Sisilia Lealao, Brandon Rivas, and Bryan Ragone (“Plaintiffs”), individually and in their representative capacity on behalf of the Settlement Class, as defined below, and as a private attorney general on behalf of the State of California; and **(2)** Defendant U.S. Aviation Services Corp. (“Defendant”). This Agreement refers to Plaintiffs and Defendant collectively as the “Parties,” or individually as “Party.”¹

1. DEFINITIONS

- 1.1. “Action” means the Plaintiffs’ lawsuit alleging wage and hour violations against Defendant captioned *Sisilia Lealao v. U.S. Aviation Services Corp.*, case number 24STCV03049, initiated on February 5, 2024, and pending in the Superior Court of the State of California for the County of Los Angeles.
- 1.2. “Administrator” means Apex Class Action, 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 Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means all individuals who are or were employed by Defendants as non-exempt employees in California during the PAGA Period.
- 1.5. “Class” means all individuals who are or were employed by Defendants as non-exempt employees in California during the Class Period.
- 1.6. “Class Counsel” means Jonathan Melmed, Laura Supanich, and Trishta Dordi of Melmed Law Group P.C. Sepideh Ardestani of Crosner Legal, PC, and Aaron Bartz of Bartz Law Group, APC, and Walter Haines of United Employees Law Group, PC.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address,

¹ This Agreement and the accompanying class notice are based on the Los Angeles County Superior Court’s [Model] Class Action and PAGA Settlement Agreement (LASC CIV 296) (“Model Agreement”), with modifications to reflect the agreement by the Parties and the facts of the case.

Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member 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 Class Members.
- 1.11. “Class Notice” means the Court-approved *Notice of Class Action Settlement and Hearing Date for Final Court Approval*, to be mailed to Class Members in English with a Spanish translation in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period from January 24, 2020, through November 1, 2024.
- 1.13. “Class Representatives” means the named Plaintiffs Brandon Rivas, Sisilia Lealoea, and Bryan Ragone seeking Court approval to serve as a Class Representatives.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representatives for initiating the Action and providing services in support of the Action.
- 1.15. “Court” means the Superior Court of the State of California for the County of Los Angeles.
- 1.16. “Defendant” means the named defendant in the Action, U.S. Aviation Services Corp.
- 1.17. “Defense Counsel” means the attorneys representing Defendant, John H. Haney of Holland & Knight LLP.
- 1.18. “Effective Date” means the date by when both of the following have occurred: **(a)** the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and **(b)** the Judgment is final. The Judgment is final as of the latest of the following occurrences: **(a)** if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; **(b)** if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

- 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22. “Gross Settlement Amount” means **\$705,000.00**, which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, the Class Representative Service Payment, and the Administrator’s Expenses.
- 1.23. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.25. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28. “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, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

- 1.31. “PAGA Period” means the period from November 30, 2022, through November 1, 2024.
- 1.32. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698 et seq.).
- 1.33. “PAGA Notices” means Plaintiffs’ respective letter(s) to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.34. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$12,500.00) and 75% to the LWDA (\$37,500.00) in settlement of PAGA claims.
- 1.35. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36. “Plaintiffs” means Plaintiffs Brandon Rivas, Sisilia Lealao, and Bryan Ragone.
- 1.37. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38. “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39. “Released Class Claims” means the claims being released as described in Paragraph 6.2 below.
- 1.40. “Released PAGA Claims” means the claims being released as described in Paragraph 6.3 below.
- 1.41. “Released Parties” means: Defendant U.S. Aviation Services Corp., United Service Companies, Inc., and each of their respective former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, parents, subsidiaries, and affiliates.
- 1.42. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.43. “Response Deadline” means sixty (60) days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: **(a)** fax, email, or mail Requests for Exclusion from the Settlement, or **(b)** fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.
- 1.44. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

- 1.45. “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. RECITALS

- 2.1. On January 24, 2024, Plaintiff Brandon Rivas commenced filed a Complaint in San Bernardino Superior Court, and filed an amended complaint on April 2, 2024, alleging causes of action against Defendant for **(1)** failure to pay minimum wage for all hours worked in violation of Labor Code sections 1194 and 1194.2, and the Applicable Wage Orders; **(2)** failure to pay proper overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the Applicable Wage Orders; **(3)** failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the Applicable Wage Orders; **(4)** failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the Applicable Wage Orders; **(5)** failure to maintain accurate employment records in violation of Labor Code section 1174; **(6)** failure to pay timely wages during employment in violation of Labor Code sections 204, 210; **(7)** failure to pay all wages due and owing at separation in violation of Labor Code sections 201, 202, and 203; **(8)** failure to reimburse business expenses in violation of Labor Code sections 2802 and 2804; **(9)** failure to provide complete and accurate wage statements in violation of Labor Code sections 226 and 226.3; and **(10)** deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California’s Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); and **(11)** for penalties pursuant to the Private Attorneys’ General Act (“PAGA”), Labor Code section 2698 *et seq.* (“*Rivas* action”). On April 22, 2024, the *Rivas* action was removed to the United States District Court – Central District and is pending under Case No. 5:24-cv-00855-FWS-SHK before the Honorable Fred W. Slaughter.
- 2.2. Similarly, on February 5, 2024, Plaintiff Sisilia Lealao filed this Action, a putative class action complaint also alleging a PAGA claim, in Los Angeles County Superior Court, captioned *Sisilia Lealao v. U.S. Aviation Services Corp.*, Case No. 24STCV03049. The allegations of the *Rivas* action overlap those in this Action.
- 2.3. On March 21, 2024, Plaintiff Bryan Ragone filed a putative class action complaint in San Bernardino County Superior Court, captioned *Bryan Ragone v. U.S. Aviation Services Corp., United Service Companies, Inc.*, Case No. CIVSB2409463. On May 22, 2024, that action was removed to the United States District Court – Central District and is pending under Case No. 5:24-cv-01073-FWS-SHK before the Honorable Fred W. Slaughter. On April 9, 2024, Plaintiff Bryan Ragone filed a standalone representative action complaint in the San Bernardino County Superior Court seeking penalties under the Private Attorneys General Act, Labor Code section 2698 *et seq.*, captioned *Bryan Ragone v. U.S. Aviation Services Corp., United Services Companies, Inc.*, Case No. CIVSB2411967. These two actions, U.S.D.C. Case No. 5:24-cv-01073-FWS-

SHK and CIVSB2411967, are collectively referred to herein as the “*Ragone* action.” The allegations of the *Ragone* action overlap those in this Action.

- 2.4. Pursuant to the terms of this Settlement Agreement, and strictly and solely for settlement purposes, Plaintiffs intend to file a stipulation in this Action, joined by Defendant, seeking to file an amended complaint adding Brandon Rivas and Bryan Ragone as plaintiffs to this Action along with Sisilia Lealao, and attaching as exhibits the Plaintiffs’ respective PAGA Notices. This amended complaint will be the operative complaint in the Action (the “Operative Complaint”). Concurrent with filing said stipulation, Plaintiff Rivas and Defendant will stipulate to remand the *Rivas* action to state court and Plaintiff Ragone and Defendant will stipulate to remand the *Ragone* action to state court. The Parties will then move to stay the *Rivas* and *Ragone* matters pending final approval of this Settlement in the Action. Within five days of final approval in this Action, Plaintiffs Rivas and Ragone will file requests for dismissal of their respective actions without prejudice.
- 2.5. 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.
- 2.6. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written notice to Defendant and the LWDA by sending the PAGA Notices.
- 2.7. On November 14, 2024, the Parties participated in an all-day mediation presided over by Kim Deck which led to this Agreement to settle the Action.
- 2.8. Prior to mediation, Plaintiffs obtained, through informal discovery, various documents and information that allowed both sides to evaluate the potential exposure and potential risk, such as the operative employee handbook, policies and procedures related to the claims alleged in the Operative Complaint, Plaintiffs’ personnel files, payroll and time records, and a sample of time and pay records for the Class Members and Aggrieved Employees. Plaintiffs’ investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129–130 (“*Dunk/Kullar*”).
- 2.9. The Court has not granted class certification in this Action, nor has class certification been granted in the *Rivas* action or the *Ragone* action.
- 2.10. The Parties, Class 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.

3. **MONETARY TERMS**

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay **\$705,000** and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the

Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or 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 Final Approval:

3.2.1. To Plaintiffs: Class Representative Service Payments to the Class Representatives of not more than \$7,500 each for a total of \$22,500 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive under this Agreement). Defendant will not oppose Plaintiffs' request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Final Approval or as part of a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder of the sums not approved in the Net Settlement Amount for distribution to Participating Class Members. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be \$235,000 and a Class Counsel Litigation Expenses Payment of not more than \$30,000. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. As part of the motion for Final Approval or as a separate motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs and/or Class Counsel will seek Court approval for any Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS Form 1099s. Class Counsel assumes full responsibility and

liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant and the Released Parties harmless, and indemnifies Defendant and the Released Parties, from any dispute or controversy regarding any division or sharing of any of these payments.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$25,000, except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less than \$25,000, or the Court approves payment in an amount less than that amount, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by **(a)** dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period, and **(b)** multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS Form W-2. 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for penalties and interest (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on an IRS Form 1099. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$50,000 to be paid from the Gross Settlement Amount, with 75% (\$37,500) allocated to the LWDA PAGA Payment and 25% (\$12,500) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by **(a)** dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$12,500) 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.

3.2.5.2.If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on an IRS Form 1099.

4. SETTLEMENT FUNDING AND PAYMENTS

- 4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 496 Class Members who collectively worked a total of 24,344 Workweeks during the Class Period, and 315 Aggrieved Employees who worked a total 10,833 of PAGA Pay Periods during the PAGA Period.
- 4.2. Class Data. Not later than twenty (20) days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform Administrator's duties under this Agreement. Defendant has a continuing duty to promptly notify Class Counsel if it discovers that the Class Data omitted class member identifying information which is available to Defendant and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class 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 Class Data.
- 4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes, by transmitting the funds to the Administrator no later than twenty (20) days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

- 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members 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) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
- 4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned 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 Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.4.3. For any Class Member whose Individual Class Payment check or 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 Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).
- 4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. AMENDING THE COMPLAINT AND DISMISSING THE *RAGONE* ACTION AND THE *RIVAS* ACTION

Effectuating this Settlement requires effectively joining Plaintiffs Rivas and Ragone to this Action while avoiding any further costs or expenses associated with the *Rivas* action or *Ragone* action. Therefore, the Parties hereto agree that, for purposes of settlement only:

- 5.1. Plaintiff Lealao and Defendant shall enter into a stipulation permitting Plaintiff to file an amended complaint naming Plaintiffs Rivas and Ragone as named Plaintiffs in this Action.
- 5.2. Within five (5) days of Plaintiff Lealao and Defendant filing the stipulation referenced in Section 5.1, Plaintiff Rivas shall file a stipulation for remand of the *Rivas* federal court action.
- 5.3. Within five (5) days of Plaintiff Lealao and Defendant filing the stipulation referenced in Section 5.1, Plaintiff Ragone shall file a stipulation for remand of the *Ragone* federal court action, Case No. 5:24-cv-01073-FWS-SHK.
- 5.4. Within five (5) days of Plaintiff Lealao and Defendant filing the stipulation referenced in Section 5.1, Plaintiff Ragone shall file a request stay of the standalone PAGA action pending in San Bernardino Superior Court Case No. CIVSB2411967.
- 5.5. Within five days of final approval in this Action, Plaintiffs Rivas and Ragone will file requests for dismissal of their respective state court actions without prejudice.
- 5.6. Should the Court decline to enter preliminary or final approval of this Settlement, Plaintiffs Rivas and Ragone may reinitiate their respective actions. The Parties agree that should the Court decline to enter preliminary or final approval of this Settlement, each respective Party reserves all rights to remove and/or move to remand any re-filed case to/from federal district court.

6. RELEASES OF CLAIMS

Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties through the date of the Court's preliminary approval of this settlement as follows:

- 6.1. Plaintiffs' Release. Plaintiffs and Plaintiffs' respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences during the Class Period, and through the date of the Court's preliminary approval of this settlement, 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 or ascertained during the Action; and
(b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, or Plaintiffs' PAGA Notices.
("Plaintiffs' Release.") Plaintiffs' 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 of the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or

believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

6.1.1. Plaintiffs' Waiver of Rights Under California Civil Code Section 1542.

For purposes of Plaintiffs' Release, Plaintiffs expressly waive 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.”

- 6.2. Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims arising during the Class Period, and through the date of the Court's preliminary approval of this settlement, that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint, including claims based upon any theory of recovery for: (1) failure to pay minimum wages for all hours worked; (2) failure to pay proper overtime wages; (3) failure to provide meal periods and pay missed meal period premiums; (4) failure to provide rest periods and pay missed rest period premiums; (6) failure to pay split shift premiums; (7) failure to maintain accurate employment records; (8) failure to pay wages timely during employment; (9) failure to pay all wages earned and unpaid at separation; (10) failure to indemnify all necessary business expenditures; (11) failure to furnish accurate itemized wage statements; (12) violations of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200-17210), which release shall extend through the date of the Court's preliminary approval of this settlement. Except as set forth in Section 6.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.
- 6.3. Release by Aggrieved Employees: The State of California and all Aggrieved Employees, including Non-Participating Class Members, 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 facts stated in the Operative Complaint and the PAGA Notices, and which release shall extend through the date of the Court's preliminary approval of this settlement.

7. MOTION FOR PRELIMINARY APPROVAL

The Parties agree to jointly prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals.

- 7.1. Defendant’s Declaration in Support of Preliminary Approval. Within ten (10) days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed Declaration from or on behalf of Defendant disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. Defendant shall aver that it is not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.
- 7.2. Plaintiffs’ Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: **(i)** a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2); **(ii)** a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; **(iii)** a draft proposed Class Notice; **(iv)** 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 Class 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 Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; **(v)** a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; **(v)** a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; 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 **(vi)** all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. In their declarations, Plaintiffs and Class 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.
- 7.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than forty-five (45) days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval Order to the Administrator.

- 7.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

8. SETTLEMENT ADMINISTRATION

- 8.1. Selection of Administrator. The Parties have jointly selected Apex Class Action to serve as the Administrator and verified that, as a condition of appointment, Apex Class Action agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. 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.
- 8.2. 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.
- 8.3. 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.
- 8.4. Notice to Class Members.
- 8.4.1. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.
- 8.4.2. Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice with Spanish translation substantially in the form attached to this Agreement as **Exhibit A**. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

- 8.4.3. Not later than three (3) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
 - 8.4.4. The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the sixty (60) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
 - 8.4.5. If the Administrator, Defendant, or Class Counsel are contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice but did not, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.
 - 8.5. Requests for Exclusion (Opt-Outs).
 - 8.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than sixty (60) days after the Administrator mails the Class Notice. A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address, and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
 - 8.5.2. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or

otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

8.5.3. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 6.2 and 6.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

8.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.4 of this Agreement and are eligible for an Individual PAGA Payment.

8.6. Challenges to Calculation of Workweeks. Each Class Member shall have sixty (60) days after the Administrator mails the Class Notice to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member as stated in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email, or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

8.7. Objections to Settlement.

8.7.1. Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Class Representative Service Payment.

- 8.7.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than sixty (60) days after the Administrator's mailing of the Class Notice.
- 8.7.3. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.
- 8.8. 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.
- 8.8.1. Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time, and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment (if separate from the Motion for Final Approval), Class Counsel Litigation Expenses Payment, and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes, and emails.
- 8.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing **(a)** the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); **(b)** the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; and **(c)** copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- 8.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include provide the Administrator's assessment of

the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

- 8.8.4. Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.
- 8.8.5. Administrator's Declaration. Not later than fourteen (14) days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.
- 8.8.6. Final Report by Settlement Administrator. Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

9. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE

Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, (1) there are 496 Class Members and 24,344 Total Workweeks during the Class Period and (2) there were 315 Aggrieved Employees who worked 10,833 Pay Periods during the PAGA Period. If the number of Workweeks worked by the Class Members during the Class Period is greater than 10% above that estimated by Defendant (i.e. more than 26,778 Workweeks), then the Gross Settlement Amount shall be increased proportionately for each additional Workweek above the 10% buffer. Based on the estimate of 24,344 Workweeks and a GSA of \$705,000, each Workweek above the buffer shall be worth an additional \$28.95 per workweek such that if, for example, the actual number of Workweeks is 27,000 Workweeks, then the increase in the GSA shall be equal to \$6,426.90 (27,000 workweeks minus 26,778 workweeks, times \$28.95 per workweek). If this provision is triggered so as to increase the Gross Settlement Amount, the Parties agree that the Class Counsel Fees Payment 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 this provision is implemented.

10. DEFENDANT'S RIGHT TO WITHDRAW

If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

11. MOTION FOR FINAL APPROVAL

Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order, and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide the draft Motion for Final Approval for Defendant's review and approval prior to filing the motion.

- 11.1. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 11.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 11.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, the Action, and the Settlement 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.
- 11.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class

Members who did not object to the Settlement as provided in this Agreement, 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 an objector 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.

- 11.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

12. AMENDED JUDGMENT

If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

13. ADDITIONAL PROVISIONS

- 13.1. No Admission of Liability, Class Certification, 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 Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and 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).

- 13.2. Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: **(1)** to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; **(2)** counsel in a related matter; **(3)** to the extent necessary to report income to appropriate taxing authorities; **(4)** in response to a court order or subpoena; or **(5)** in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 13.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, appeal from the Judgment, or to submit disputes regarding the number of Workweeks or Pay Periods allocated to an individual. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 13.4. 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.
- 13.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs 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.
- 13.6. 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.

- 13.7. 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.
- 13.8. No Tax Advice. Neither Plaintiffs, Class 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.
- 13.9. 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.
- 13.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 13.11. 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.
- 13.12. 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.
- 13.13. 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.
- 13.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class 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 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

- 13.15. 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.
- 13.16. 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.
- 13.17. 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 Plaintiffs:

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Jonathan Melmed

jm@melmedlaw.com

Laura Supanich

lms@melmedlaw.com

Trishta Dordi

td@melmedlaw.com

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To Defendant:

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Samuel J. Stone
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sam.stone@hklaw.com
400 South Hope Street, 8th Floor
Los Angeles, California 90071

13.18. 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.

13.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement this Action 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

CLASS REPRESENTATIVES:

Dated: 1/30/2025 _____

Signed by:
Sisilia Lealao
31D980D0E809495...

Sisilia Lealao
Plaintiff and Class Representative

Dated: _____

Brandon Rivas
Plaintiff and Class Representative

Dated: _____

Bryan Ragone
Plaintiff and Class Representative

Samuel J. Stone
john.haney@hklaw.com
sam.stone@hklaw.com
400 South Hope Street, 8th Floor
Los Angeles, California 90071

13.18. 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.

13.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement this Action 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

CLASS REPRESENTATIVES:

Dated: _____

Sisilia Lealao
Plaintiff and Class Representative

Dated: 2/11/2025

DocuSigned by:

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Brandon Rivas
Plaintiff and Class Representative

Dated: _____

Bryan Ragone
Plaintiff and Class Representative

Samuel J. Stone
john.haney@hklaw.com
sam.stone@hklaw.com
400 South Hope Street, 8th Floor
Los Angeles, California 90071

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APPROVAL AND EXECUTION BY PARTIES

CLASS REPRESENTATIVES:

Dated: _____

Sisilia Lealao
Plaintiff and Class Representative

Dated: _____

Brandon Rivas
Plaintiff and Class Representative

Dated: 01 / 30 / 2025



Bryan Ragone
Plaintiff and Class Representative

APPROVED AS TO FORM BY COUNSEL

CLASS COUNSEL:

Dated: 2/11/2025

Melmed Law Group P.C.



Jonathan Melmed
Attorneys for Plaintiffs

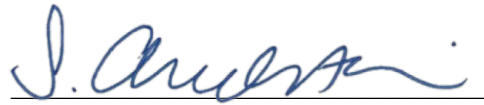
Dated: _____

Bartz Law Group, APC
United Employees Law Group, PC

Aaron Bartz
Attorneys for Plaintiffs

Dated: January 30, 2025

Crosner Legal, PC



Sepideh Ardestani
Attorneys for Plaintiffs

DEFENSE COUNSEL:

Dated: _____

Holland & Knight LLP

John H. Haney
Samuel J. Stone
Attorneys for Defendant

APPROVED AS TO FORM BY COUNSEL

CLASS COUNSEL:

Dated: _____

Melmed Law Group P.C.

Jonathan Melmed
Attorneys for Plaintiffs

Dated: 1/30/2025

Bartz Law Group, APC
United Employees Law Group, PC

Signed by:

EC5A3EE789D1423

Aaron Bartz
Attorneys for Plaintiffs

Dated: _____

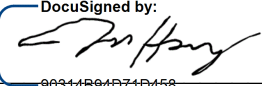
Crosner Legal, PC

Sepideh Ardestani
Attorneys for Plaintiffs

DEFENSE COUNSEL:

Dated: 2/14/2025

Holland & Knight LLP

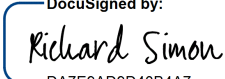
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John H. Haney
Samuel J. Stone
Attorneys for Defendant

DEFENDANT:

Dated: 2/14/2025

U.S. Aviation Services Corp.

DocuSigned by:


DA7E9AD9D40B4A7...

By: Richard Simon

Title: Chairman/ president

EXHIBIT

2

~~[MODEL] CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE~~

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT
AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between ~~plaintiff~~ (“~~Plaintiff~~”) and defendant XYZ (“XYZ”). The: (1) Plaintiffs Sisilia Lealao, Brandon Rivas, and Bryan Ragone (“Plaintiffs”), individually and in their representative capacity on behalf of the Settlement Class, as defined below, and as a private attorney general on behalf of the State of California; and (2) Defendant U.S. Aviation Services Corp. (“Defendant”). This Agreement refers to ~~Plaintiff~~Plaintiffs and ~~XYZ~~Defendant collectively as the “Parties,” or individually as “Party.”¹

~~1. DEFINITIONS.~~

1. DEFINITIONS

~~1.1.1.~~ “Action” means the ~~Plaintiff’s~~Plaintiffs’ lawsuit alleging wage and hour violations against ~~XYZ~~Defendant captioned ~~_____~~Sisilia Lealao v. U.S. Aviation Services Corp., case number 24STCV03049, initiated on ~~_____~~February 5, 2024, and pending in the Superior Court of the State of California, for the County of Los Angeles.

~~1.2.1.2.~~ “Administrator” means ~~_____~~Apex Class Action, the neutral entity the Parties have agreed to appoint to administer the Settlement.

~~1.3.1.3.~~ “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~~Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.

~~1.4.1.4.~~ “Aggrieved Employee” means ~~[e.g., a person]~~all individuals who are or were employed by ~~XYZ~~Defendants as non-exempt employees in California ~~and classified as a _____ who worked for XYZ during the PAGA Period~~.

~~1.5.1.5.~~ “Class” means ~~[define class e.g., all persons]~~individuals who are or were employed by ~~XYZ~~Defendants as non-exempt employees in California ~~and classified as _____ who worked for XYZ during the Class Period~~.

~~1.6~~ “Class Counsel” means ~~_____~~.

¹ This Agreement and the accompanying class notice are based on the Los Angeles County Superior Court’s [Model] Class Action and PAGA Settlement Agreement (LASC CIV 296) (“Model Agreement”), with modifications to reflect the agreement by the Parties and the facts of the case.

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1.6. “Class Counsel” means Jonathan Melmed, Laura Supanich, and Trishta Dordi of Melmed Law Group P.C, Sepideh Ardestani of Crosner Legal, PC, and Aaron Bartz of Bartz Law Group, APC, and Walter Haines of United Employees Law Group, PC.

1.7.1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.

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1.8.1.8. “Class Data” means Class Member identifying information in XYZ’s Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, _____, and number of Class Period Workweeks and PAGA Pay Periods.

1.9.1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.10.1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member 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 Class Members.

1.11.1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL Court-approved Notice of Class Action Settlement and Hearing Date for Final Court Approval, to be mailed to Class Members in English [with a Spanish translation, if applicable] in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12.1.12. “Class Period” means the period from _____ to _____, January 24, 2020, through November 1, 2024.

1.13.1.13. “Class RepresentativeRepresentatives” means the named Plaintiff in the operative complaint in the Action Plaintiffs Brandon Rivas, Sisilia Lealoe, and Bryan Ragone seeking Court approval to serve as a Class RepresentativeRepresentatives.

1.14.1.14. “Class Representative Service Payment” means the payment to the Class RepresentativeRepresentatives for initiating the Action and providing services in support of the Action.

1.15.1.15. “Court” means the Superior Court of the State of California, for the County of Los Angeles.

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~~1.161.16.~~ “XYZDefendant” means the named Defendant _____ defendant in the Action, U.S. Aviation Services Corp..

~~1.171.17.~~ “Defense Counsel” means _____ the attorneys representing Defendant, John H. Haney of Holland & Knight LLP.

~~1.181.18.~~ “Effective Date” means the date by when both of the following have occurred: ~~(a)~~ the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and ~~(b)~~ the Judgment is final. The Judgment is final as of the latest of the following occurrences: ~~(a)~~ if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; ~~(b)~~ if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

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~~1.191.19.~~ “Final Approval” means the Court’s order granting final approval of the Settlement.

~~1.201.20.~~ “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

~~1.211.21.~~ “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

~~1.221.22.~~ “Gross Settlement Amount” means \$ _____ \$705,000.00, which is the total amount XYZDefendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, the Class Representative Service Payment, and the Administrator’s Expenses.

~~1.231.23.~~ “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

~~1.241.24.~~ “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.

~~1.251.25.~~ “Judgment” means the judgment entered by the Court based upon the Final Approval.

~~1.261.26.~~ “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

~~1.271.27.~~ “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

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- ~~1.28~~ 1.28. “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, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- ~~1.29~~ 1.29. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- ~~1.30~~ 1.30. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for XYZ Defendant for at least one day during the PAGA Period.
- ~~1.31~~ 1.31. “PAGA Period” means the period from _____ to _____ November 30, 2022, through November 1, 2024.
- ~~1.32~~ 1.32. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698- et seq.).
- ~~1.33~~ 1.33. “PAGA ~~Notice~~ Notices” means Plaintiff’s _____ Plaintiffs’ respective letter(s) to XYZ Defendant and the LWDA ~~{and Plaintiff’s _____ letter to XYZ and the LWDA}~~ providing notice pursuant to Labor Code section 2699.3, subd.(a).
- ~~1.34~~ 1.34. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees ~~(_____)(\$12,500.00)~~ and ~~the~~ 75% to the LWDA ~~(_____)(\$37,500.00)~~ in settlement of PAGA claims.
- ~~1.35~~ 1.35. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- ~~1.36~~ 1.36. “~~Plaintiff~~ Plaintiffs” means _____, ~~the named plaintiff in the Action~~ Plaintiffs Brandon Rivas, Sisilia Lealao, and Bryan Ragone.
- ~~1.37~~ 1.37. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- ~~1.38~~ 1.38. “~~“Preliminary Approval Order”~~” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- ~~1.39~~ 1.39. “Released Class Claims” means the claims being released as described in Paragraph 6.2 below.
- ~~1.40~~ 1.40. “Released PAGA Claims” means the claims being released as described in Paragraph 6. 23 below.

~~1.41~~1.41. “Released Parties” means: XYZDefendant U.S. Aviation Services Corp., United Service Companies, Inc., and each of ~~its~~their respective former and present directors, officers, shareholders, owners, ~~[members],~~ attorneys, insurers, predecessors, successors, assigns ~~-, parents, subsidiaries+, and affiliates-.~~

~~1.42~~1.42. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

~~1.43~~1.43. “Response Deadline” means ~~[e.g., sixty (60)]~~ days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: ~~(a)-~~ fax, email, or mail Requests for Exclusion from the Settlement, or ~~(b)-~~ fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.

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~~1.44~~1.44. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

~~1.45~~1.45. “Workweek” means any week during which a Class Member worked for XYZDefendant for at least one day, during the Class Period.

2. — RECITALS:

2. ON _____, PLAINTIFF COMMENCED THIS ACTION BY FILING A COMPLAINT ALLEGING CAUSES OF ACTION AGAINST XYZ FOR [THE COMPLAINT IS THE OPERATIVE COMPLAINT IN THE ACTION (THE “OPERATIVE COMPLAINT.”)] [ON _____, PLAINTIFF FILED A [E.G., FIRST AMENDED COMPLAINT] ALLEGING CAUSES OF ACTION AGAINST XYZ FOR _____. THE [E.G., FIRST AMENDED] COMPLAINT IS THE OPERATIVE COMPLAINT IN THE ACTION (THE “OPERATIVE COMPLAINT.”)] XYZ**RECITALS**

2.1. On January 24, 2024, Plaintiff Brandon Rivas commenced filed a Complaint in San Bernardino Superior Court, and filed an amended complaint on April 2, 2024, alleging causes of action against Defendant for (1) failure to pay minimum wage for all hours worked in violation of Labor Code sections 1194 and 1194.2, and the Applicable Wage Orders; (2) failure to pay proper overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the Applicable Wage Orders; (3) failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the Applicable Wage Orders; (4) failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the Applicable Wage Orders; (5) failure to maintain accurate employment records in violation of Labor Code section 1174; (6) failure to pay timely wages during employment in violation of Labor Code sections 204, 210; (7) failure to pay all wages due and

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owing at separation in violation of Labor Code sections 201, 202, and 203; (8) failure to reimburse business expenses in violation of Labor Code sections 2802 and 2804; (9) failure to provide complete and accurate wage statements in violation of Labor Code sections 226 and 226.3; and (10) deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); and (11) for penalties pursuant to the Private Attorneys' General Act ("PAGA"), Labor Code section 2698 *et seq.* ("Rivas action"). On April 22, 2024, the Rivas action was removed to the United States District Court – Central District and is pending under Case No. 5:24-cv-00855-FWS-SHK before the Honorable Fred W. Slaughter.

2.2. Similarly, on February 5, 2024, Plaintiff Sisilia Lealao filed this Action, a putative class action complaint also alleging a PAGA claim, in Los Angeles County Superior Court, captioned *Sisilia Lealao v. U.S. Aviation Services Corp.*, Case No. 24STCV03049. The allegations of the Rivas action overlap those in this Action.

2.3. On March 21, 2024, Plaintiff Bryan Ragone filed a putative class action complaint in San Bernardino County Superior Court, captioned *Bryan Ragone v. U.S. Aviation Services Corp., United Service Companies, Inc.*, Case No. CIVSB2409463. On May 22, 2024, that action was removed to the United States District Court – Central District and is pending under Case No. 5:24-cv-01073-FWS-SHK before the Honorable Fred W. Slaughter. On April 9, 2024, Plaintiff Bryan Ragone filed a standalone representative action complaint in the San Bernardino County Superior Court seeking penalties under the Private Attorneys General Act, Labor Code section 2698 *et seq.*, captioned *Bryan Ragone v. U.S. Aviation Services Corp., United Services Companies, Inc.*, Case No. CIVSB2411967. These two actions, U.S.D.C. Case No. 5:24-cv-01073-FWS-SHK and CIVSB2411967, are collectively referred to herein as the "Ragone action." The allegations of the Ragone action overlap those in this Action.

2.4. Pursuant to the terms of this Settlement Agreement, and strictly and solely for settlement purposes, Plaintiffs intend to file a stipulation in this Action, joined by Defendant, seeking to file an amended complaint adding Brandon Rivas and Bryan Ragone as plaintiffs to this Action along with Sisilia Lealao, and attaching as exhibits the Plaintiffs' respective PAGA Notices. This amended complaint will be the operative complaint in the Action (the "Operative Complaint"). Concurrent with filing said stipulation, Plaintiff Rivas and Defendant will stipulate to remand the Rivas action to state court and Plaintiff Ragone and Defendant will stipulate to remand the Ragone action to state court. The Parties will then move to stay the Rivas and Ragone matters pending final approval of this Settlement in the Action. Within five days of final approval in this Action, Plaintiffs Rivas and Ragone will file requests for dismissal of their respective actions without prejudice.

2.4.2.5. 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.

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~~2.22.6.~~ Pursuant to Labor Code section 2699.3, subd.(a), ~~Plaintiff~~Plaintiffs gave timely written notice to ~~XYZ~~Defendant and the LWDA by sending the PAGA ~~Notice~~Notices.

~~2.32.7.~~ On ~~_____ (type in additional dates);~~November 14, 2024, the Parties participated in an all-day mediation presided over by ~~_____~~Kim Deck which led to this Agreement to settle the Action ~~(describe alternative means of negotiation).~~—.

~~2.42.8.~~ Prior to mediation ~~/negotiating the Settlement,~~ ~~Plaintiff,~~ Plaintiffs obtained, through ~~formal/~~ informal discovery, ~~(describe various documents, testimony and information obtained).~~ Plaintiff ~~s~~ that allowed both sides to evaluate the potential exposure and potential risk, such as the operative employee handbook, policies and procedures related to the claims alleged in the Operative Complaint, Plaintiffs' personnel files, payroll and time records, and a sample of time and pay records for the Class Members and Aggrieved Employees. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129–130 (“*Dunk/Kullar*”).

~~2.52.9.~~ The Court has ~~/has not granted class certification. (insert details as needed)~~ in this Action, nor has class certification been granted in the Rivas action or the Ragone action.

~~2.62.10.~~ _____ The Parties, Class 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.

~~3.~~ MONETARY TERMS.

~~3.~~ MONETARY TERMS

~~3.43.1.~~ Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, ~~XYZ~~Defendant promises to pay \$ ~~_____~~\$705,000, and no more as the Gross Settlement Amount ~~and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments.~~ ~~XYZ.~~ Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to ~~XYZ~~Defendant.

~~3.23.2.~~ 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 Final Approval:

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3.2.13.2.1. To PlaintiffPlaintiffs: Class Representative Service

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~~Payment~~Payments to the Class ~~Representative~~Representatives of not more than \$~~————~~\$7,500 each for a total of \$22,500 (in addition to any Individual Class Payment ~~and any Individual PAGA Payment~~) the Class Representative is entitled to receive ~~as a Participating Class Member~~. ~~XYZ~~under this Agreement). Defendant will not oppose Plaintiff'sPlaintiffs' request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Final Approval or as part of a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, PlaintiffPlaintiffs will seek Court approval for any Class Representative Service ~~Payments~~Payment no later than ~~sixteen~~ (16) court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder ~~of the sums not approved~~ in the Net Settlement Amount: ~~for distribution to Participating Class Members~~. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. ~~Plaintiff assumes~~Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.23.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than

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~~%one-third of the Gross Settlement Amount~~, which is currently estimated to be \$~~————~~\$235,000 and a Class Counsel Litigation Expenses Payment of not more than \$~~————~~. ~~XYZ~~\$30,000. Defendant will not oppose requests for these payments provided that ~~they~~ do not exceed these amounts. ~~Plaintiff and/or Class Counsel will file a~~As part of the motion for Final Approval or as a separate motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs and/or Class Counsel will seek Court approval for any Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment no later than ~~sixteen~~ (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other ~~Plaintiff's Counsel~~Plaintiffs' counsel arising from any claim to any portion ~~of~~ any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS ~~1099 Forms~~Form 1099s. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds ~~XYZ~~Defendant and the Released Parties harmless, and indemnifies ~~XYZ~~Defendant and the Released Parties, from any dispute or controversy regarding any division or sharing of any of these ~~Payments~~payments.

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~~3.2.3.~~3.2.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$~~_____~~\$25,000, except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less than \$25,000, or the Court approves payment in an amount less than \$~~_____~~, that amount, the Administrator will retain the remainder in the Net Settlement Amount.

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~~3.2.4.~~3.2.4.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period, and (b) multiplying the result by each Participating Class Member's Workweeks.

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~~3.2.4.1.~~3.2.4.1.3.2.4.1. Tax Allocation of Individual Class Payments.

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~~_____~~%20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS ~~W-2~~ Form. ~~The _____ % W-2.~~ 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for ~~[e.g., penalties and interest and penalties]~~ (the "Non-Wage Portion"). ~~++~~ The Non-Wage Portions are not subject to wage withholdings and will be reported on ~~an IRS Form~~ 1099-Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

~~3.2.4.2.~~3.2.4.2.3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

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~~3.2.5.~~3.2.5.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$~~_____~~\$50,000 to be paid from the Gross Settlement Amount, with 75% (~~\$~~_____~~~~(\$37,500)) allocated to the LWDA PAGA Payment and 25% (~~\$~~_____~~~~(\$12,500)) allocated to the Individual PAGA Payments.

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~~3.2.5.1.~~3.2.5.1.3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties \$~~_____~~(\$12,500) 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.

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Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

~~3.2.5.23.2.5.2.~~ If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on an IRS Form 1099-Forms.

~~4. SETTLEMENT FUNDING AND PAYMENTS.~~

4. SETTLEMENT FUNDING AND PAYMENTS

4.4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, XYZDefendant estimates there are 496 Class Members who collectively worked a total of 24,344 Workweeks during the Class Period, and 315 Aggrieved Employees who worked a total 10,833 of PAGA Pay Periods during the PAGA Period.

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4.4.2. Class Data. Not later than ~~[e.g., 15]~~twenty (20) days after the Court grants Preliminary Approval of the Settlement, XYZDefendant will ~~simultaneously~~ deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform Administrator's duties under this Agreement. XYZDefendant has a continuing duty to ~~immediately~~promptly notify Class Counsel if it discovers that the Class Data omitted class member identifying information which is available to Defendant and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which XYZDefendant must send the Class 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 Class Data.

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4.4.3. Funding of Gross Settlement Amount. XYZDefendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay XYZ'sDefendant's share of payroll taxes, by transmitting the funds to the Administrator no later than ~~[14]~~twenty (20) days after the Effective Date.

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4.4.4. Payments from the Gross Settlement Amount. Within ~~[fourteen (14)]~~ days after XYZDefendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class

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Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.14.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members 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) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.24.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned 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 Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.34.4.3. For any Class Member whose Individual Class Payment check or 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 Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b). [or to a Court-approved nonprofit organization or foundation consistent with Code of Civil Procedure Section 384, subd. (b) ("Cy Pres Recipient"). The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient.](b).

4.4.44.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate XYZDefendant to confer any additional benefits or make any additional payments to Class Members (such as

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401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS, AMENDING THE COMPLAINT AND DISMISSING THE RAGONE ACTION AND THE RIVAS ACTION

Effectuating this Settlement requires effectively joining Plaintiffs Rivas and Ragone to this Action while avoiding any further costs or expenses associated with the Rivas action or Ragone action. Therefore, the Parties hereto agree that, for purposes of settlement only:

- 5.1. Plaintiff Lealao and Defendant shall enter into a stipulation permitting Plaintiff to file an amended complaint naming Plaintiffs Rivas and Ragone as named Plaintiffs in this Action.
- 5.2. Within five (5) days of Plaintiff Lealao and Defendant filing the stipulation referenced in Section 5.1, Plaintiff Rivas shall file a stipulation for remand of the Rivas action.
- 5.3. Within five (5) days of Plaintiff Lealao and Defendant filing the stipulation referenced in Section 5.1, Plaintiff Ragone shall file a stipulation for remand of the Ragone federal court action, Case No. 5:24-cv-01073-FWS-SHK.
- 5.4. Within five (5) days of Plaintiff Lealao and Defendant filing the stipulation referenced in Section 5.1, Plaintiff shall file a request stay of the standalone PAGA action pending in San Bernardino Superior Court Case No. CIVSB2411967.
- 5.5. Within five days of final approval in this Action, Plaintiffs Rivas and Ragone will file requests for dismissal of their respective state court actions without prejudice.
- 5.6. Should the Court decline to enter preliminary or final approval of this Settlement, Plaintiffs Rivas and Ragone may reinstate their respective actions.

6. RELEASES OF CLAIMS

5. Effective on the date when XYZDefendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, PlaintiffPlaintiffs, Class Members, and Class Counsel will release claims against all Released Parties through the date of the Court's preliminary approval of this settlement as follows:

- 5.4.6.1. PlaintiffPlaintiffs' Release. PlaintiffPlaintiffs and his or herPlaintiffs' respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences [that occurred during the Class Period], and through the date of the Court's preliminary approval of this settlement, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative

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Complaint or ascertained during the Action; and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiff's PAGA Notice, for ascertained during the Action and released under 6.2, below]. ("Plaintiff's Release.") Plaintiff's or Plaintiffs' PAGA Notices. ("Plaintiffs' Release.") Plaintiffs' 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 of the Class Period. Plaintiff acknowledges Plaintiffs acknowledge that PlaintiffPlaintiffs may discover facts or law different from, or in addition to, the facts or law that PlaintiffPlaintiffs now knowsknow or believesbelieve to be true but agreesagree, nonetheless, that Plaintiff'sPlaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff'sPlaintiffs' discovery of them.

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

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"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 Partyreleased party."

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5.26.2. Release by Participating Class Members Who Are Not Aggrieved Employees: All

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Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims arising during the Class Period, and through the date of the Court's preliminary approval of this settlement, that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint [and ascertained in the course of the Action] [including, e.g., "(a) any and all claims involving any alleged based upon any theory of recovery for: (1) failure to pay minimum wages for all hours worked; (2) failure to pay proper overtime wages; (3) failure to provide meal periods and pay missed meal period premiums; (4) failure to provide rest periods and pay missed rest period premiums; (6) failure to pay split shift premiums; (7) failure to maintain accurate employment records; (8) failure to pay wages timely during employment; (9) failure to pay all wages earned and unpaid at separation; (10) failure to indemnify all necessary business expenditures; (11) failure to furnish accurate itemized wage; etc.], statements; (12) violations of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200-17210), which release shall extend through the date of the Court's preliminary approval of

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this settlement. Except as set forth in Section 6.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.36.3. Release by Non-Participating Class Members Who Are Aggrieved Employees:
All Non-Participating Class Members who areThe State of California and all
Aggrieved Employees, including Non-Participating Class Members, 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~~[Notices~~, and ascertained in which release shall extend through the course~~date~~ of the Action~~[including, e.g., "(a) any and all claims involving any alleged failure to pay minimum wage; etc.]~~.Court's preliminary approval of this settlement.

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7. MOTION FOR PRELIMINARY APPROVAL. MOTION FOR PRELIMINARY APPROVAL

6. The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

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6.47.1. XYZ'sDefendant's Declaration in Support of Preliminary Approval. Within ten (10) days of the full execution of this Agreement, XYZDefendant will prepare and deliver to Class Counsel a signed Declaration from XYZ and Defense Counselor on behalf of Defendant disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator and Cy Pres Recipient. In their Declarations, Defense Counsel and XYZ, Defendant shall aver that they are it is not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

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6.27.2. Plaintiff'sPlaintiffs' Responsibilities. PlaintiffPlaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under Dunk/Kullar and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)~~);~~; (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) 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 Class 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

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Class Members ~~[and/or the proposed Cy Pres];~~ and the nature and extent of any financial relationship with ~~Plaintiff~~ Plaintiffs, Class Counsel or Defense Counsel; ~~(v)-~~ a signed declaration from ~~Plaintiff~~ Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, ~~[and/or]~~ the Administrator ~~[and/or the proposed Cy Pres];~~ ~~(v)-~~ a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; 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. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); ~~(vi)-~~ a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and ~~(vii)-~~ ~~vi)~~ all facts relevant to any actual or potential conflict of interest with Class Members; ~~and/or~~ the Administrator ~~and/or the Cy Pres Recipient.~~ In their ~~Declarations,~~ Plaintiffs' declarations, Plaintiffs and Class Counsel ~~Declaration~~ 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.

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6.37.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than ~~[30]~~forty-five (45) days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval Order to the Administrator.

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6.47.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

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7. SETTLEMENT ADMINISTRATION.

8. SETTLEMENT ADMINISTRATION

7.18.1. Selection of Administrator. The Parties have jointly selected Apex Class Action to serve as the Administrator and verified that, as a condition of appointment, Apex Class Action agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that

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they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.28.2. 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.

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7.38.3. 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.

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7.48.4. Notice to Class Members.

7.4.18.4.1. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

7.4.28.4.2. Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice [with Spanish translation, if applicable] substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

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7.4.38.4.3. Not later than three (3) business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.48.4.4. The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the sixty (60) days otherwise provided in the Class Notice for all Class Members whose

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notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

~~7.4.58.4.5.~~ If the Administrator, ~~XYZ~~Defendant, or Class Counsel ~~is~~are contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice ~~but did not~~, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than ~~fourteen (14)~~ days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

~~7.58.5.~~ Requests for Exclusion (Opt-Outs).

~~7.5.18.5.1.~~ Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than ~~sixty (60)~~ days after the Administrator mails the Class Notice ~~(plus an additional [14] days for Class Members whose Class Notice is re-mailed)~~. A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address, and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

~~7.5.28.5.2.~~ The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

~~7.5.38.5.3.~~ Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 6.2 and 6.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

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7.5.48.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because ~~future~~ PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.4 of this Agreement and are eligible for an Individual PAGA Payment.

7.68.6. Challenges to Calculation of Workweeks. Each Class Member shall have sixty ~~(60)~~ days after the Administrator mails the Class Notice ~~(plus an additional [14] days for Class Members whose Class Notice is re-mailed)~~ to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member as stated in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email, or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

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7.78.7. Objections to Settlement.

7.7.18.7.1. Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Class Representative Service Payment.

7.7.28.7.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than sixty (60) days after the Administrator's mailing of the Class Notice ~~(plus an additional [14] days for Class Members whose Class Notice was re-mailed).~~

7.7.38.7.3. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

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7.8.8. 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.

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7.8.18.8.1. Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time, and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, (if separate from the Motion for Final Approval), Class Counsel Litigation Expenses Payment, and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes, and emails.

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7.8.28.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

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7.8.38.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

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7.8.48.8.4. Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

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7.8.58.8.5. Administrator’s Declaration. Not later than fourteen (14) days before the date by which Plaintiff is Plaintiffs are required to file the

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Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

~~7.8.68.8.6.~~ Final Report by Settlement Administrator. Within ~~ten (10)~~ days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least ~~fifteen (15)~~ days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the ~~Administrator's~~ Administrator's declaration in Court.

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~~9. CLASS SIZE ESTIMATES~~ **CLASS SIZE ESTIMATES AND ESCALATOR** ~~CLAU~~ **ESCALATOR CLAU**

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~~8.~~ Based on its records, XYZ ~~Defendant~~ estimates that, as of the date of this Settlement Agreement, ~~(1)~~ there are 496 Class Members and 24,344 Total Workweeks during the Class ~~period~~ Period and ~~(2)~~ there were 315 Aggrieved Employees who worked 10,833 Pay Periods during the PAGA Period.

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~~XYZ'S RIGHT TO WITHDRAW.~~ If the number of Workweeks worked by the Class Members during the Class Period is greater than 10% above that estimated by Defendant (i.e. more than 26,778 Workweeks), then the Gross Settlement Amount shall be increased proportionately for each additional Workweek above the 10% buffer. Based on the estimate of 24,344 Workweeks and a GSA of \$705,000, each Workweek above the buffer shall be worth an additional \$28.95 per workweek such that if, for example, the actual number of Workweeks is 27,000 Workweeks, then the increase in the GSA shall be equal to \$6,426.90 (27,000 workweeks minus 26,778 workweeks, times \$28.95 per workweek). If this provision is triggered so as to increase the Gross Settlement Amount, the Parties agree that the Class Counsel Fees Payment 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 this provision is implemented.

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10. DEFENDANT'S RIGHT TO WITHDRAW

9. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds _____%10% of the total of all Class Members, XYZDefendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if XYZDefendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, XYZDefendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. XYZDefendant must notify Class Counsel and the Court of its election to withdraw not later than [seven] (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

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11. MOTION FOR FINAL APPROVAL. MOTION FOR FINAL APPROVAL

10. Not later than [sixteen (16)] court days before the calendared Final Approval Hearing, PlaintiffPlaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PGA settlement under Labor Code section 2699, subd. (I), a Proposed Final Approval Order, and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff Plaintiffs shall provide drafts of these documents to Defense Counsel not later than [seven] days prior to filing the the draft Motion for Final Approval. Class Counsel for Defendant's review and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approvalapproval prior to filing the motion.

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~~10.1~~11.1. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than ~~that [than five]~~ (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

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~~10.2~~11.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

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~~10.3~~11.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, the Action, and the Settlement 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.

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~~10.4~~11.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, 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 an objector 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.

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~~10.5~~11.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

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12. ~~AMENDED JUDGMENT.~~ AMENDED JUDGMENT

~~11.~~ If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

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~~12.~~ ADDITIONAL PROVISIONS.

13. ADDITIONAL PROVISIONS

~~12.1~~13.1. No Admission of Liability, Class Certification, 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 XYZDefendant that any of the allegations in the Operative Complaint have merit or that XYZDefendant has any liability for any claims asserted; nor should it be intended or construed as an admission by PlaintiffPlaintiffs that XYZ'sDefendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary

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Approval, Final Approval, or enter Judgment, XYZDefendant reserves the right to contest certification of any class for any reasons, and XYZDefendant reserves all available defenses to the claims in the Action, and Plaintiff reserves Plaintiffs reserve the right to move for class certification on any grounds available and to contest XYZ'sDefendant's defenses. The Settlement, this Agreement and Parties'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).

12.213.2. Confidentiality Prior to Preliminary Approval. PlaintiffPlaintiffs, Class Counsel, XYZDefendant, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. PlaintiffPlaintiffs, Class Counsel, XYZDefendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.313.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment, or to submit disputes regarding the number of Workweeks or Pay Periods allocated to an individual. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.413.4. 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.

12.513.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by PlaintiffPlaintiffs and

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XYZDefendant, 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.

12.613.6. 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.

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12.713.7. 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.

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12.813.8. No Tax Advice. Neither PlaintiffPlaintiffs, Class Counsel, XYZDefendant, 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.

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12.913.9. 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.

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12.1013.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

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12.1113.11. 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.

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12.1213.12. 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.

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12.1313.13. 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.

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12.1413.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by XYZDefendant in connection with the

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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 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, ~~Plaintiff~~Plaintiffs shall destroy, all paper and electronic versions of Class Data received from ~~XYZ~~Defendant unless, prior to the Court's discharge of the Administrator's obligation, ~~XYZ~~Defendant makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

~~12.15~~13.15. 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.

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~~12.16~~13.16. 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.

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~~12.17~~13.17. 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:

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To ~~Plaintiff:~~ Plaintiffs:

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Melmed Law Group P.C.

Jonathan Melmed

jm@melmedlaw.com

Laura Supanich

lms@melmedlaw.com

Trishta Dordi

td@melmedlaw.com

1801 Century Park East, Suite 850

Los Angeles, California 90067

Bartz Law Group, APC

Aaron A. Bartz

aaron@bartzlawgroup.com

5151 California Ave., Suite 100

Irvine, California 92617

Crosner Legal, PC

Jamie K. Serb

jamie@crosnerlegal.com

Brandon Brouillette

bbrouillette@crosnerlegal.com

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Zachary M. Crosner
zach@crosnerlegal.com
9440 Santa Monica Blvd. Suite 301
Beverly Hills, CA 90210

To XYZ Defendant:

13.18—Holland & Knight LLP
John H. Haney
Samuel J. Stone
john.haney@hklaw.com
sam.stone@hklaw.com
400 South Hope Street, 8th Floor
Los Angeles, California 90071

12.18 13.18. 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.

12.19 13.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation this Action 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.

Dated: _____

Plaintiff INSERT

Dated: _____

INSERT for:

Defendant XYZ

Dated: _____ CROSNER LEGAL, PC

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APPROVAL AND EXECUTION BY PARTIES

CLASS REPRESENTATIVES:

Dated: _____
Sisilia Lealao
Plaintiff and Class Representative

Dated: _____
Brandon Rivas
Plaintiff and Class Representative

Dated: _____
Bryan Ragone
Plaintiff and Class Representative

DEFENDANT:

Dated: _____ U.S. Aviation Services Corp.

By: _____

Title: _____

APPROVED AS TO FORM BY COUNSEL

CLASS COUNSEL:

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Dated: _____ **Melmed Law Group P.C.**

Jonathan Melmed
Attorneys for Plaintiffs

Dated: _____ **Bartz Law Group, APC**
United Employees Law Group, PC

Aaron Bartz
Attorneys for Plaintiffs

Dated: _____ **Crosner Legal, PC**

Sepideh Ardestani
Attorneys for Plaintiffs

DEFENSE COUNSEL:

Dated: _____ **Holland & Knight LLP**

John H. Haney

Samuel J. Stone

Attorneys for Defendant Zachary M. Crosner, Esq.

Jamie Serb, Esq.

Attorneys for Plaintiff and the Class

Dated: _____ **DEFENSE FIRM**

INSERT

Attorneys for XYZ

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**~~COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING
DATE FOR FINAL COURT APPROVAL~~**

~~(case name and number)~~

The Superior Court for the State of California authorized this Notice. Read it carefully!

It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

~~You may be eligible to receive money from an employee class action lawsuit ("Action") against (abbreviate name; "XYZ" is used herein as a placeholder) for alleged wage and hour violations. The Action was filed by a[n][former] XYZ employee ("Plaintiff") and seeks payment of (1) back wages [and other relief] for a class of [e.g., hourly] employees ("Class Members") who worked for XYZ during the Class Period (— to —); and (2) penalties under the California Private Attorney General Act ("PAGA") for all [e.g., hourly] employees who worked for XYZ during the PAGA Period (— to —) ("Aggrieved Employees").~~

~~The proposed Settlement has two main parts: (1) a Class Settlement requiring XYZ to fund Individual Class Payments, and (2) a PAGA Settlement requiring XYZ to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency ("LWDA").~~

~~Based on XYZ's records, and the Parties' current assumptions, your Individual Class Payment is estimated to be \$ — (less withholding) and your Individual PAGA Payment is estimated to be \$ — . The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to XYZ's records you are not eligible for an Individual PAGA Payment under the Settlement because you didn't work during the PAGA Period.)~~

~~The above estimates are based on XYZ's records showing that you worked — workweeks during the Class Period and you worked — workweeks during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.~~

~~The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires XYZ to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against XYZ.~~

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If you worked for XYZ during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

~~(1) — Do Nothing. You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against XYZ.~~

~~(2) — Opt Out of the Class Settlement. You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against XYZ, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt out of the PAGA portion of the proposed Settlement.~~

~~XYZ will not retaliate against you for any actions you take with respect to the proposed Settlement.~~

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

~~You Don't Have to Do Anything to Participate in the Settlement — If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against XYZ that are covered by this Settlement (Released Claims).~~

~~You Can Opt out of the Class Settlement but not the PAGA Settlement~~

~~The Opt-out Deadline is ——— If you don't want to fully participate in the proposed Settlement, you can opt out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.~~

~~You cannot opt out of the PAGA portion of the proposed Settlement. XYZ must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).~~

~~Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement~~

~~Written Objections Must be Submitted by — All Class Members who do not opt out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.~~

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~~You Can Participate in the Final Approval Hearing The Court's Final Approval Hearing is scheduled to take place on . You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.~~

~~You Can Challenge the Calculation of Your Workweeks/Pay Periods~~

~~Written Challenges Must be Submitted by The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to XYZ's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by . See Section 4 of this Notice.~~

~~1. WHAT IS THE ACTION ABOUT?~~

~~Plaintiff is a[n] [former] XYZ employee. The Action accuses XYZ of violating California labor laws by failing to pay [e.g., overtime wages, minimum wages, wages due upon termination and reimbursable expenses] and failing to provide [e.g., meal periods, rest breaks and accurate itemized wage statements]. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action:~~

~~_____ ("Class Counsel.")~~

~~XYZ strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.~~

~~2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?~~

~~So far, the Court has made no determination whether XYZ or Plaintiff is correct on the merits. In the meantime, Plaintiff and XYZ hired ☐ an experienced, neutral mediator ☐ a retired judge~~

~~☐ _____ (describe alternative means of negotiation) in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and XYZ have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, XYZ does not admit any violations or concede the merit of any claims.~~

~~Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) XYZ has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is~~

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in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

- ~~XYZ Will Pay \$ _____ as the Gross Settlement Amount (Gross Settlement). XYZ has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, XYZ will fund the Gross Settlement not more than [14] days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.~~
- ~~Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:~~
 - ~~Up to \$ _____ (_____ % of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$ _____ for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.~~
 - ~~Up to \$ _____ as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.~~
 - ~~Up to \$ _____ to the Administrator for services administering the Settlement.~~
 - ~~Up to \$ _____ for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.~~

~~Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.~~

- ~~Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.~~
- ~~Taxes Owed on Payments to Class Members. Plaintiff and XYZ are asking the Court to approve an allocation of % _____ of each Individual Class Payment to taxable wages ("Wage Portion") and % _____ to [e.g., interest, etc.] ("Non-Wage Portion."). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. [Option 1: (XYZ will separately pay employer payroll taxes it owes on the Wage Portion.)] The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The~~

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Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and XYZ have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

- ~~Need to Promptly Cash Payment Checks.~~ The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name / will irrevocably lost to you because they will be paid to a non-profit organization or foundation ("Cy Pres"). If the monies represented by your check is sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.
- ~~Requests for Exclusion from the Class Settlement (Opt-Outs).~~ You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against XYZ.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against XYZ based on the PAGA Period facts alleged in the Action.

- ~~The Proposed Settlement Will be Void if the Court Denies Final Approval.~~ It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and XYZ have agreed that, in either case, the Settlement will be void: XYZ will not pay any money and Class Members will not release any claims against XYZ.
- ~~Administrator.~~ The Court has appointed a neutral company, _____ (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
- ~~Participating Class Members' Release.~~ After the Judgment is final and XYZ has fully funded the Gross Settlement [Option 1: (and separately paid all employer payroll taxes)], Participating Class Members will be legally barred from asserting any of the claims

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~~released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against XYZ or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.~~

~~• The Participating Class Members will be bound by the following release:~~

~~All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint [and ascertained in the course of the Action] [including, e.g., “(a) any and all claims involving any alleged failure to pay minimum wage; etc.”]. Except as set forth in Section 6.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.viii.~~

~~• Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and XYZ has paid the Gross Settlement (and separately paid the employer side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against XYZ, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against XYZ or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.~~

~~The Aggrieved Employees’ Releases for Participating and Non-Participating Class Members are as follows:~~

~~All Participating and Non-Participating Class Members who are 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 [and ascertained in the course of the Action][including, e.g., (a) any and all claims involving any alleged failure to pay minimum wage; etc.].~~

~~4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?~~

~~• Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.~~

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- ~~Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$ _____ by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.~~
- ~~Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in XYZ's records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.~~

~~You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept XYZ's calculation of Workweeks and/or Pay Periods based on XYZ's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and XYZ's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.~~

~~5. HOW WILL I GET PAID?~~

- ~~Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.~~
- ~~Non Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).~~

~~Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.~~

~~6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?~~

~~Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as _____, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. The Administrator must be sent your request to be excluded by _____, or it will be invalid. Section 9 of the Notice has the Administrator's contact information.~~

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7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and XYZ are asking the Court to approve. At least _____ days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website _____ (url) or the Court's website _____ (url).

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. The deadline for sending written objections to the Administrator is _____. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action _____ and include your name, current address, telephone number, and approximate dates of employment for [XYZ] and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at _____ (time) in Department _____ of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website _____ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

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The Agreement sets forth everything XYZ and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to (specify entity) _____'s website at (url) _____. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult _____ the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. _____. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel: Name of Attorney: Email Address: Name of Firm: Mailing Address: Telephone:

Settlement Administrator: Name of Company:

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds / you will have no way to recover the money.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

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EXHIBIT

3

**COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING
DATE FOR FINAL COURT APPROVAL**

Sisilia Lealao et al. v. U.S. Aviation Services Corp.,

Los Angeles Superior Court, Case No. 24STCV03049

The Superior Court for the State of California authorized this Notice. Read it carefully.

It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from an employee class action lawsuit ("Action") against U.S. Aviation Services Corp. ("Defendant") for alleged wage and hour violations. The Action was filed by former employees of Defendant, Sisilia Lealao, Bryan Ragone, and Bryan Rivas (collectively "Plaintiffs") and seeks payment for claims of (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide rest periods and pay missed rest period premiums; (4) failure to provide meal periods and pay missed meal period premiums; (5) failure to maintain accurate employment records; (6) failure to pay wages timely during employment; (7) failure to pay all wages earned and unpaid at separation; (8) failure to indemnify all necessary business expenditures; (9) failure to furnish accurate itemized wage statements; and (10) unfair business practices for a class of individuals who are or were employed by Defendant as nonexempt employees in California ("Class Members") who worked for Defendant during the Class Period (the period from January 24, 2020, through November 1, 2024); and (2) penalties under the California Private Attorney General Act ("PAGA") for all individuals who are or were employed by Defendant as nonexempt employees in California during the PAGA Period (the period from November 30, 2022, through November 1, 2024) ("Aggrieved Employees").

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendant to fund Individual Class Payments, and (2) a PAGA Settlement requiring Defendant to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency ("LWDA").

Based on Defendant's records, and the Parties' current assumptions, your Individual Class Payment is estimated to be \$ [REDACTED] (less withholding) and your Individual PAGA Payment is estimated to be \$ [REDACTED]. The actual amount you may receive may be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendant's records you are not eligible for an Individual PAGA Payment under the Settlement because you didn't work for Defendant in California during the PAGA Period.)

The above estimates are based on Defendant's records showing that you worked [REDACTED] workweeks during the Class Period and you worked [REDACTED] pay periods during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval of the Settlement. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have

carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs' attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

If you worked for Defendant during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

1. **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendant.
2. **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Members' Released Claims against Defendant, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement. If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the claims against Defendant that are covered by this Settlement (Released Claims).

You Can Opt-Out of the Class Settlement but not the PAGA Settlement. The Opt-out Deadline is **DATE**. If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.

You Cannot Opt-out of the PAGA Portion of the Proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement. Written objections must be submitted by **DATE**. All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how

much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs. Other than the PAGA portion of this Settlement, you can object to any aspect of this Settlement. See Section 7 of this Notice.

You Can Participate in the Final Approval Hearing. The Court's Final Approval Hearing is scheduled to take place on **DATE**. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.

You Can Challenge the Calculation of Your Workweeks/Pay Periods. Participating Class Members and Aggrieved Employees Must Submit Written Challenges, if any, no later than **DATE**. The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Workweeks and number of Pay Periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it no later than **DATE**. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former employees of Defendant. The Action accuses Defendant of violating California labor laws by allegedly failing to (1) pay minimum wages; (2) overtime wages; (3) provide rest periods and pay missed rest period premiums; (4) provide meal periods and pay missed meal period premiums; (5) maintain accurate employment records; (6) pay wages timely during employment; (7) pay all wages earned and unpaid at separation; (8) indemnify all necessary business expenditures; and (9) furnish accurate itemized wage statements. Based on the same claims, Plaintiffs have also asserted a claim for unfair competition under California's Unfair Competition Law (Bus. & Prof. § 17200 *et seq.*) civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, *et seq.*) ("PAGA"). Plaintiffs are represented by attorneys ("Class Counsel") in the Action.

Defendant generally and specifically denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Plaintiffs' claims have any merit or whether Defendant violated any laws. In the meantime, Plaintiffs and Defendant hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Defendant have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree that the proposed Settlement is a

compromise of disputed claims. By agreeing to settle, Defendant does not admit that it violated any law, regulation, or ordinance, or concede the merit of any claims.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable, and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable, and adequate, authorized this Notice, and scheduled a hearing to determine whether to finally approve the Settlement.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

Defendant Will Pay \$705,000 as the Gross Settlement Amount (Gross Settlement). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement not more than 20 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment on its Order Granting Final Approval, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

- Up to \$235,000 (33.33% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$30,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
- Up to \$7,500 for each individual Class Representative as Service Payment for filing the Action, working with Class Counsel and representing the Class, for a total of up to \$22,500 for the three Class Representatives. A Class Representative Service Payment will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment.
- Up to \$10,900 to the Administrator for services administering the Settlement.
- Up to \$50,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions except for the PAGA Penalties deduction amount (\$50,000) and percentage allocation (75% to the LWDA and 25% to Aggrieved Employees). The Court will consider all objections.

Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net

Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

Taxes Owed on Payments to Class Members. Plaintiffs and Defendant are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to penalties and interest (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiffs and Defendant have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the payment represented by your check is sent to the Controller’s Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.

Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Settlement, unless you notify the Administrator in writing, no later than **DATE**, that you wish to opt-out. The easiest way to notify the Administrator that you wish to opt-out is to send a written and signed Request for Exclusion by the Response Deadline. The Request for Exclusion should be a letter from a you or your representative setting forth your name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue Class Released Claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims covered by the PAGA Release.

The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.

Administrator. The Court has appointed a neutral company, Apex Class Action (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.

Participating Class Members’ Release. After the Judgment is final and Defendant has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or related entities for wages based on the facts as alleged in the Action and resolved by this Settlement.

Participating Class Members Release: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint which alleges claims for (1) failure to pay minimum wages for all hours worked; (2) failure to pay proper overtime wages; (3) failure to provide meal periods and pay missed meal period premiums; (4) failure to provide rest periods and pay missed rest period premiums; (6) failure to pay split shift premiums; (7) failure to maintain accurate employment records; (8) failure to pay wages timely during employment; (9) failure to pay all wages earned and unpaid at separation; (10) failure to indemnify all necessary business expenditures; (11) failure to furnish accurate itemized wage statements; (12) violations of California’s Unfair Competition Law (Bus. & Prof. Code, §§ 17200-17210). Except as set forth in Section 6.2 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and Defendant has paid the Gross Settlement and separately paid the employer-side payroll taxes, all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the facts alleged in the Action or the PAGA Notices submitted by Plaintiffs and resolved by this Settlement.

The Aggrieved Employees’ Release: 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 facts stated in the Operative Complaint and the PAGA Notices which allege claims for (1) failure to pay minimum wages for

all hours worked; (2) failure to pay proper overtime wages; (3) failure to provide meal periods and pay missed meal period premiums; (4) failure to provide rest periods and pay missed rest period premiums; (6) failure to pay split shift premiums; (7) failure to maintain accurate employment records; (8) failure to pay wages timely during employment; (9) failure to pay all wages earned and unpaid at separation; (10) failure to indemnify all necessary business expenditures; and/or (11) failure to furnish accurate itemized wage statements.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$12,500 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of Pay Periods worked by each individual Aggrieved Employee.

Workweek/Pay Period Challenges. The number of Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have through **DATE** to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You should support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and/or Pay Periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) and to those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment (if any).

Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Sisilia Lealao v. U.S. Aviation Services Corp.*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. The Administrator must be sent your request to be excluded by **DATE**, or it will be invalid. Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendant are asking the Court to approve. At least 16 court days before the Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as a Class Representative Service Payment. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on **the Administrator's Website** (url) or the Court's website (url).

A Participating Class Member who disagrees with any aspect of the Agreement or the Motion for Final Approval may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. The deadline for sending written objections to the Administrator is **DATE**. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Sisilia Lealao v. U.S. Aviation Services Corp.*, and include your name, current address, telephone number, and approximate dates of employment with Defendant and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on **DATE** at **TIME** in Department SSC-7 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA

90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via [LACourtConnect \(https://www.lacourt.org/lacc/\)](https://www.lacourt.org/lacc/). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Court's website beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiffs have promised to do under the proposed Settlement. [The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at \(url\)](#). You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to <http://www.lacourt.org/casesummary/ui/index.aspx> and entering the Case Number for the Action, Case No. 24STCV03049. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

Melmed Law Group, P.C.
Jonathan Melmed, Esq.
jm@melmedlaw.com
1801 Century Park East, Suite 850
Los Angeles, CA 90067

Bartz Law Group, APC
Aaron Bartz, Esq.
aaron@bartzlawgroup.com
5151 California Ave., Suite 100
Irvine, California 92617

Crosner Legal, P.C.
Zachary Crosner, Esq.
zach@crosnerlegal.com
Jamie Serb, Esq.
jamie@crosnerlegal.com
Sepideh Ardestani, Esq.

sepideh@crosnerlegal.com
9440 Santa Monica Blvd., Suite 301
Beverly Hills, CA 90210

Defendant's Counsel:

Holland & Knight LLP
John H. Haney
Samuel J. Stone
john.haney@hklaw.com
sam.stone@hklaw.com
400 South Hope Street, 8th Floor
Los Angeles, California 90071

Settlement Administrator: Name of Company:

Email Address:

Mailing Address:

Telephone:

Fax Number:

Commented [HJH(-X1)]: Add Apex's information here.

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

* * *

EXHIBIT

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Los Angeles Office
9440 Santa Monica Blvd.
Beverly Hills, CA 90210

Kiara Bramasco, Esq.
kiara@crosnerlegal.com
direct: (424) 335-5236
office: (866) 276-7637
fax: (310) 510-6429

January 29, 2024

VIA PAGA ONLINE FILING ONLY:

California Labor & Workforce
Development Agency
ATTN: PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102
PAGAfilings@dir.ca.gov

VIA U.S. CERTIFIED MAIL:

C T Corporation System
Agent for Service of Process for:
U.S. Aviation Services Corp.
Attn: CA Registered Agent Authorized
Employees:
Amanda Garcia, Gabriela Sanchez, Daisy
Montenegro, Beatrice Casarez-Barrientez,
Jessie Gastelum, John Montijo, Diana Ruiz,
Sarai Marin, Emanuel Jacobo, Gladys
Aguilera, Vivian Imperial, Carlos Paz,
Alberto Damonte, Peter Cayetano, Elsa
Montanez, Xenia Perez, and Yesenia
Carpenter, and Jacqueline Mejia
330 N Brand Blvd #700
Glendale, CA 91203

U.S. Aviation Services Corp.
Attn: Human Resources / Legal Department
1550 S Indiana Ave
Chicago, IL 60605

C T Corporation System
Agent for Service of Process for:
United Service Companies, Inc.
208 So Lasalle St, Suite 814
Chicago, IL 60604-1101

United Service Companies, Inc.
Attn: Human Resources / Legal Department
1550 S Indiana Ave
Chicago, IL 60605

NOTICE OF PRIVATE ATTORNEYS GENERAL ACT CLAIM

To: California Labor and Workforce Development Agency; U.S. Aviation Services Corp.; and United Service Companies, Inc.
Date: January 29, 2024
Subject: *Bryan Ragone v. U.S. Aviation Services Corp., et. al.*

Introduction

This office represents PLAINTIFF, Bryan Ragone (hereinafter “PLAINTIFF”) in connection with PLAINTIFF’s claims under the California Labor Code. PLAINTIFF was, at all relevant times herein mentioned, an employee of the following entities and individual managing agents of said entities: U.S. Aviation Services Corp. and United Service Companies, Inc. (hereinafter, these entities and their managing agents are collectively referred to as “DEFENDANTS”). DEFENDANTS may be contacted directly at the addresses listed above.

Pursuant to California Labor Code sections 2699.3 and 2699.5, PLAINTIFF, on behalf of PLAINTIFF, and on behalf of all current and former non-exempt employees employed by any one or more of the DEFENDANTS at any location in California within one year of the date of this notice (“NON-EXEMPT AGGRIEVED EMPLOYEES”) and on behalf of all current and former exempt employees employed by any one or more of the DEFENDANTS at any location in California within one year of the date of this notice (“EXEMPT AGGRIEVED EMPLOYEES”), hereby gives written notice (“NOTICE”) of PLAINTIFF’s claims against DEFENDANTS. This NOTICE is being provided via online filing to the California Labor and Workforce Development Agency (“LWDA”) and DEFENDANTS via certified mail to their Agent(s) for Service of Process and/or entity mailing address as provided to the California Secretary of State.

This NOTICE also serves to demonstrate PLAINTIFF’s reasonable attempt at settlement with DEFENDANTS. If DEFENDANTS are interested in settling this matter before a lawsuit is filed, DEFENDANTS may contact Crosner Legal, P.C., at the address listed at the close of this NOTICE. This settlement attempt is in compliance with relevant California law. *Graham v. Daimler Chrysler Corp.* (2004) 24 Cal.4th 553, 561.

This NOTICE is sent in compliance with the reporting requirements of California Labor Code sections 2699.3 and 2699.5. This NOTICE further reserves any and all rights by PLAINTIFF to amend this notice to include, amend, or add further charges upon discovery of new violations of any of the provisions of the California Labor Code. In addition, to the extent that entities and/or other individuals are named and charged with violations of the Labor Code—making them liable on an individual basis as permitted by numerous Labor Code sections including, but not limited to sections 558.1 and 1197.1—PLAINTIFF reserves any and all rights to add, substitute, or change the name of employer entities and/or individuals responsible for the violations at issue. Any further amendments and changes to this notice shall relate back to the date of this NOTICE. Consequently, DEFENDANTS are on notice that PLAINTIFF continues its investigation, with the full intent to amend and/or change this notice, to add any undiscovered violations of *any* of the provisions of the California Labor Code—to the extent that are applicable to this case—and to change and/or

add the identities of any entities and/or individuals responsible for the violations contained herein. For violations that are curable under § 2699.3(c) and that DEFENDANTS intend to cure within the statutory time period set forth in §§ 2699 and 2699.3(c), the DEFENDANTS shall provide notice including a description of the actions taken to cure. If the alleged violation is not cured within the statutory time period, PLAINTIFF will commence a civil action pursuant to section 2699. For all other violations that are not curable, an action pursuant to section 2699(a) and 2699(f) will commence after the requirements under 2699.3 are fulfilled.

Based on the following summary of facts and theories upon which PLAINTIFF will base PLAINTIFF's claims, PLAINTIFF requests that the LWDA regard this NOTICE as written notice of PLAINTIFF's intent to seek civil penalties against DEFENDANTS. Under *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal.App.5th 745, a PAGA representative has authority to seek penalties for all known violations committed by the employer – regardless of whether the representative experienced all violations personally. *Id.* at 760-761. Moreover, under *Johnson v. Maxim Healthcare Servs., Inc.*, (2021) 66 Cal. App. 5th 924, 929, an employee may pursue a claim under PAGA even when that employee's individual claim is time-barred.

PLAINTIFF, on behalf of PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES, and EXEMPT AGGRIEVED EMPLOYEES, alleges that the specific provisions of California law that DEFENDANTS have violated, requiring this NOTICE, include but are not limited to: California Labor Code sections 201-203, 204, 208, 216, 221-223, 226, 226.7, 245-248.6, 432, 432.5, 432.6, 432.7, 510, 512, 558, 551, 552, 558.1, 1024.5, 1174, 1194, 1197, 1197.1, 1198, 1198.5, 1199, 2802, 2810.5, and all applicable Wage Orders.

The Named Entities Are Joint Employers of PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES

California courts have recognized that the definition of “employer” for purposes of enforcement of the California Labor Code goes beyond the concept of traditional employment to reach irregular working arrangements for the purpose of preventing evasion and subterfuge of California's labor laws. *Martinez v. Combs* (2010) 49 Cal.4th 35, 65. As such, anyone who directly or indirectly, or through an agent or any other person, engages, suffers, or permits any person to work or exercises control over the wages, hours, or working conditions of any person, may be liable for violations of the California Labor Code as to that person.

PLAINTIFF is informed and believes and thereon alleges that at all relevant times DEFENDANTS and unknown entities operated as a single integrated enterprise with common ownership and centralized human resources as set forth herein. Under California law, in determining whether two defendant entities are liable as an integrated enterprise, courts consider four factors: (1) centralized control of labor relations; (2) interrelation of operations; (3) common management; and (4) common ownership or financial control. *Laird v. Capital Cities/ABC, Inc.* (1998) 68 Cal.App.4th 727, 737 (overruled on other grounds, *Reid v. Google, Inc.* (2010) 50 Cal. 4th 512 (2010).)

PLAINTIFF believes and hereon asserts that DEFENDANTS and unknown entities must be classified as joint employers of PLAINTIFF for purposes of liability for civil penalties under PAGA, as the aforementioned entities engaged, suffered and permitted PLAINTIFF to perform

services from which they benefited, and furthermore that the aforementioned entities had the right to exercise control over the wages, hours and/or working conditions of PLAINTIFF at all relevant times herein, so as to be considered the joint employers of PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES.

For example, DEFENDANTS' website identifies both "U.S. Aviation Services Corp." and "United Service Companies." Also, per DEFENDANTS' website, United Service Companies' corporate headquarters address is the same as U.S. Aviation Services Corp.'s principal place of business as provided to the California Secretary of State. Also, DEFENDANTS, and each of them, maintain the same agent for service of process as provided to the California Secretary of State and/or the Secretary of State of the State of Incorporation. Moreover, based on information and belief, DEFENDANTS use some of the same human resources personnel and/or attorneys to oversee employment-related matters.

By reason of their status as joint employers of PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES, they are each liable for civil penalties for violations of the California Labor Code and applicable Wage Orders as to PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES.

Individual Liability Under Labor Code § 558.1

Labor Code section 558.1 permits joint and several liability as to both an individual and employer for violations of Labor Code sections 203, 226, 226.7, 1194, and 2802. DEFENDANTS, at all relevant times, were an employer or person acting on behalf of employer(s) who violated PLAINTIFF's and other NON-EXEMPT AGGRIEVED EMPLOYEES' and EXEMPT AGGRIEVED EMPLOYEES' rights by violating various sections of the California Labor Code. The California Legislature defines "other person acting on behalf of an employer" as "*a natural person* who is an owner, director, officer, or managing agent of the employer." The "managing agent" definition mirrors that found in California's punitive damages statute (subdivision (b) of section 3294 of the Civil Code). Under that statute and supporting case law, "managing agents" are all employees who exercise substantial independent authority and judgment in their corporate decision-making such that their decisions ultimately determine corporate policy. *White v. Ultramar, Inc.* (1999) 21 Cal. 4th 563, 566-67. For the reasons set forth above and others, at all relevant times, any above-listed individuals meet the criteria of managing agents under California law, and therefore, may be held liable under California Labor Code sections 558 and 558.1 for violations of Labor Code §§ 203, 226, 226.7, and 1194 as further described in detail below.

PLAINTIFF intends to further name any unknown individuals responsible for violations arising under Labor Code sections 558 and 558.1 after further discovery. PLAINTIFF will ask the Court to relate the amendment of the PAGA charge and the operative complaint to the date of filing of these charges. PLAINTIFF asks and demands that DEFENDANTS put these individuals on notice immediately to provide them as much notice possible to mount in defense. In the alternative, PLAINTIFF also offers to DEFENDANTS to place those individuals on notice if DEFENDANTS voluntarily provides their contact information.

General Information

DEFENDANTS own, operate, manage and/or staff its employees to work at the airport facilities and/or other facilities and/or other location(s) in California, including but not limited to, the airport facilities and/or other facilities in Ontario, California. DEFENDANTS, through its various locations, serve the aviation and/or consumer services industry.¹ Although DEFENDANTS may operate a successful company or have a noble mission, DEFENDANTS do not comply with California's labor laws.

PLAINTIFF is a former employee of DEFENDANTS. PLAINTIFF worked for DEFENDANTS as a non-exempt employee with a job title(s) of baggage handler and/or ramp agent and/or a similar title(s) and/or job position(s) from in or around December 2022 through on or around December 1, 2023. PLAINTIFF worked for DEFENDANTS at DEFENDANTS' Ontario, California location(s). PLAINTIFF regularly worked seven and one-half (7 ½) hours per day. DEFENDANTS paid PLAINTIFF an hourly rate for time counted by DEFENDANTS as hours worked.

Among other things, DEFENDANTS (1) failed and continue to fail to keep accurate and complete time records for PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES; (2) failed and continue to fail to pay PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES for all hours worked; (3) failed and continue to fail to pay PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES at least minimum wage for all hours worked and overtime/regular rates for corresponding work; (4) failed and continue to fail to pay proper overtime wages for failure to incorporate all non-discretionary compensation into the overtime premium pay calculations; (5) failed and continue to fail to provide PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES with proper meal and/or rest breaks, and/or compensate PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES an additional hour of premium pay at the regular rate of compensation for missed/improper meal and/or rest periods; (6) refused and continue to refuse to make and/or falsely denied the amount of payments due to PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES, including but not limited to, owed sick pay; (7) failed and continue to fail to place PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES on proper notice of their workplace rights, including but not limited to owed sick pay; (8) failed and continue to fail to provide legally compliant wage statements to PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES; (9) made unlawful deductions from PLAINTIFF's and other NON-EXEMPT AGGRIEVED EMPLOYEES' and EXEMPT AGGRIEVED EMPLOYEES' paychecks; (10) failed and continue to fail to timely pay wages to PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES during employment and/or upon separation of employment; (11) failed and continue to fail to reimburse PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES for business expenses incurred on behalf of DEFENDANTS; (12) conducted and continue to conduct illegal criminal and/or financial background checks as a condition of PLAINTIFF's, NON-EXEMPT AGGRIEVED EMPLOYEES' and EXEMPT AGGRIEVED EMPLOYEES' hire and continued

¹ See <https://unitedhq.com/u-s-aviation-services-corp/>. Last visited on January 28, 2024.

employment; (13) required and continue to require PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to disclose arrests not resulting in convictions and/or to disclose convictions prior to extending an offer of employment and/or otherwise impermissibly inquired and continue to inquire into PLAINTIFF's, NON-EXEMPT AGGRIEVED EMPLOYEES', and/or EXEMPT AGGRIEVED EMPLOYEES' criminal history on their employment applications and sign off on same as a condition of employment; (14) failed and continue to fail to provide suitable seating; and (15) required and continue to require PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES, and EXEMPT AGGRIEVED EMPLOYEES to agree in writing to a term or condition that violates the law as a condition of employment. Further descriptions of the above-mentioned violations and others are explained below.

Labor Code Violations

Recordkeeping Requirement Violations: California Labor Code section 1174 requires employers to keep "accurate and complete" payroll records showing, among other things, the hours worked daily by PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES. All applicable IWC Wage Orders, section 7 similarly requires employers to keep accurate time records reflecting the times during which allowed meal periods were provided each day.

Based on information and belief, DEFENDANTS failed, and continue to fail, to keep accurate and complete payroll records as required by law, including but not limited to the following records: total daily hours worked, applicable rates of pay, time records showing when PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES began and ended each work period, time records of meal periods, and accurate itemized wage statements.

Based on information and belief, DEFENDANTS failed and continue to fail to keep accurate and complete records showing total hours worked by PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES by virtue of DEFENDANTS' time rounding and/or auto deduction policies and practices and/or other off-the-clock work policies and practices.

DEFENDANTS failed and continue to fail to keep accurate and complete records showing total hours worked by virtue of DEFENDANTS' failure to relieve PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES of all duties and DEFENDANTS' control for unpaid meal periods, resulting in unpaid hours worked.

Based on information and belief, DEFENDANTS further failed, and continue to fail, to record the true start and end times of PLAINTIFF's and NON-EXEMPT AGGRIEVED EMPLOYEES' meal periods.

Based on further information and belief, DEFENDANTS further failed and continue to fail, to record the true start and end times of PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES' work shifts.

Additionally, DEFENDANTS failed, and continue to fail to keep accurate records and issue accurate wage statements by not documenting accrued sick time for PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES.

DEFENDANTS' failure to keep "accurate and complete" payroll records for PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES violates Labor Code sections 1174, 1198, 1199, and all applicable IWC Wage Orders, section 7. These violations subject DEFENDANTS to civil penalties under Labor Code sections 558.1, 226.6, 1174.5 and 2699. Each violation of each Labor Code section and Wage Order provision, for each NON-EXEMPT AGGRIEVED EMPLOYEE, results in a separate civil penalty.²

Violations of Labor Code Sections 226(b)-(c), 1198.5, and 432:

Time and Pay Records

Labor Code section 226 and all applicable IWC Wage Orders, section 7 require that employers keep the following information on file for each employee for a minimum of three years: The employee's dates of employment; the employee's hourly rates and the corresponding number of hours worked by the employee at each hourly rate, when the employee begins and ends each work period (including meal periods) and split intervals; total hours worked by the employee; all deductions; gross wages earned; and net wages earned.

Section (b) of Labor Code section 226 further requires employers to "afford current and former employees the right to inspect or receive a copy of records pertaining to their employment upon reasonable request to the employer." Section (c) of Labor Code section 226 provides that, "an employer who receives a written or oral request to inspect or receive a copy of 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. A violation of this subdivision is an infraction." An employer's failure to comply within this timeframe entitles a current or former employee to recover a seven hundred fifty-dollar (\$750) penalty from the employer. Lab. Code section 226(f).

Personnel Records

In addition to their right to time and pay records, employees, and their representatives, have the right to inspect and receive a copy of their personnel files pursuant to Labor Code section 1198.5. This statute applies to both former and current employees. Labor Code section 432 further specifies that employers must furnish copies of all employment records bearing the employee's signature.

Labor Code section 1198.5 also requires that the file be made available for inspection or receipt within a "reasonable" amount of time, but "not later than 30 calendar days from the date the employer receives a written request." An employer's failure to comply within this timeframe likewise entitles a current or former employee to recover a seven hundred fifty-dollar (\$750) penalty from the employer. Lab. Code section 1198.5(k).

Based on information and belief, DEFENDANTS failed to timely produce or make available a current or former employee's personnel records and/or payroll records when requested pursuant to Labor Code sections 226, 1198.5, 432, and/or the applicable Wage Order. Based on information and belief, DEFENDANTS failed and continue to fail to timely produce complete payroll and

² See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

personnel records when requested by NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES.

These violations subject DEFENDANTS to penalties under Labor Code sections 226, 1198.5, and 2699. Each violation of each Labor Code section and Wage Order provision, for each NON-EXEMPT AGGRIEVED EMPLOYEE and each EXEMPT AGGRIEVED EMPLOYEE, results in a separate civil penalty.

Meal Period Violations: California law requires employers to provide employees a duty-free, uninterrupted thirty (30) minute meal period when an employee works more than five (5) hours in a workday, and it must be provided within the first five (5) hours the employee works. Lab. Code section 512 (and all applicable IWC Wage Orders), section 11(A) and (C); *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004. Employers must also provide employees with a second duty-free, uninterrupted thirty (30) minute meal period when an employee works more than (10) hours in a workday, and it must be provided before the end of the 10th hour of work. *Ibid.* Meal periods can be waived, but only under the following circumstances: (1) if an employee's total work period in a day is over five (5) hours but no more than six (6) hours, the required meal period may be waived by mutual consent of the employer and employee, and (2) if an employee's total work period in a day is over ten (10) hours but no more than twelve (12) hours, the required second meal period may be waived by mutual consent of the employer and employee, but only if the first meal period was not waived. *Ibid.* Upon information and belief, PLAINTIFF did not sign a valid meal period waiver throughout PLAINTIFF's employment by DEFENDANTS.

Employers covered by any and all applicable IWC Wage Orders have an obligation to both (1) relieve their employees for at least one meal period for shifts over five hours (see above), and (2) to record having done so. If the employer fails to properly record a valid meal period, it is presumed that no meal period was provided. All applicable IWC Wage Orders, section 7(A)(3) ("Meal periods . . . shall also be recorded"); *Brinker, supra*, 53 Cal.4th 1004, 1052-1053, citing section 7(A)(3) ("If an employer's records show no meal period for a given shift over five hours, a rebuttable presumption arises that the employee was not relieved of duty and no meal period was provided").

Employers must pay employees an additional hour of wages at the employees' regular rate of pay for each missed or unlawful meal period (e.g., less than 30 minutes, interrupted meal period, first meal period provided after five (5) hours, second meal period provided after 10 hours). Lab. Code § 226.7; all applicable IWC Wage Orders, §11(B) ("If an employer fails to provide an employee a meal period in accordance with the applicable provision 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"); *Brinker, supra*, 53 Cal.4th 1004.

PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES consistently worked shifts of five and a one-half (5 ½) hours or more, entitling to at least one meal period.

PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES would not receive legally compliant thirty (30) minute first meal breaks. Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES were consistently unable to take timely, off duty, thirty-minute,

uninterrupted meal periods, often being forced to take late meal periods, interrupted meal periods, and/or work through part or all their meal periods due to understaffing, the nature and constraints of their job duties and/or commentary from supervisors pressuring them to take non-compliant meal breaks or skip meal breaks completely.

For example, based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES were forced to take late meal periods in order to complete assigned job duties. Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES were frequently interrupted during purported meal periods and/or had meal periods cut short and/or restricted to DEFENDANTS' premises due to the need to continue assigned job duties.

For example, at times, PLAINTIFF was required to take late meal periods (i.e. after working more than five (5) hours). At times, PLAINTIFF was instructed to clock out for meal periods but to continue working due to the need to complete assigned job duties. Based on information and belief, DEFENDANTS also required other NON-EXEMPT AGGRIEVED EMPLOYEES to clock out for meal periods but to continue working during unpaid meal periods, resulting in denied meal periods as well as DEFENDANTS' failure to compensate NON-EXEMPT AGGRIEVED EMPLOYEES for all hours worked and the underpayment of wages owed to NON-EXEMPT AGGRIEVED EMPLOYEES.

Based on information and belief, other NON-EXEMPT AGGRIEVED EMPLOYEES were consistently suffered and permitted to take meal periods past the fifth hour of work and/or had their meal periods interrupted, cut short, restricted to DEFENDANTS' premises and/or otherwise on duty due to commentary from supervisors, understaffing, the nature and constraints of their job duties, and/or the need to meet DEFENDANTS' goals and expectations.

Based on information and belief, DEFENDANTS implemented policies and/or practices that failed to relieve NON-EXEMPT AGGRIEVED EMPLOYEES of all duties and DEFENDANTS' control during unpaid meal periods.

Based on information and belief, DEFENDANTS required NON-EXEMPT AGGRIEVED EMPLOYEES to complete off-the-clock work prior to their scheduled shift time which DEFENDANTS failed to take into account when scheduling meal periods for NON-EXEMPT AGGRIEVED EMPLOYEES. Based on information and belief, meal periods were late, in part due to unaccounted pre-shift off-the-clock work.

Based on information and belief, DEFENDANTS had actual and/or constructive knowledge that their policies and practices resulted in the denial of uninterrupted meal periods which were free of DEFENDANTS' control owed to PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES, in violation of California's meal period laws.

Based on information and belief, per DEFENDANTS' uniform policy and practice, NON-EXEMPT AGGRIEVED EMPLOYEES who worked shifts of more than ten hours did not receive a second legally compliant thirty (30) minute second meal break.

For example, when PLAINTIFF worked more than ten (10) and/or twelve (12) hours in a shift, PLAINTIFF was at times denied a compliant second meal period.

Based on information and belief, despite DEFENDANTS' failure to provide lawful meal periods, DEFENDANTS implemented a policy and/or practice of rounding the start and end times of PLAINTIFF's and other NON-EXEMPT AGGRIEVED EMPLOYEES' meal periods and/or automatically deducting at least thirty minutes per shift for missed and/or otherwise unlawful meal periods (including meal periods restricted to DEFENDANTS' premises), despite having actual and/or constructive knowledge that PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES did not receive lawful meal periods.

Moreover, based on information and belief, DEFENDANTS failed to keep accurate records of the true start and end times of PLAINTIFF's and NON-EXEMPT AGGRIEVED EMPLOYEES' meal periods. Based on information and belief, to the extent meal period were recorded, DEFENDANTS illegally rounded the start and end times of purported meal periods resulting in PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES not being paid for all time worked as well as late and/or shortened meal periods. *See Donohue v. AMN Services, LLC* (2021) 11 Cal.5th 58.

Based on information and belief, DEFENDANTS failed to instruct PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES as to the timing and duty-free nature of meal periods. Based on further information and belief, DEFENDANTS did not have a compliant written meal break policy, nor did DEFENDANTS have any sort of compliant policy in practice. Liability for the NON-EXEMPT AGGRIEVED EMPLOYEES can be established by evidence that an employer adopted a uniform corporate break policy that failed to give full effect to California law and the applicable Wage Order requirements. The fact that employees may legally waive meal breaks does not affect this result. *Brinker, supra*, 53 Cal.4th 1004.

PLAINTIFF is further informed and believes and thereon alleges that DEFENDANTS had actual and/or constructive knowledge that their time-rounding and/or auto-deduction policies and practices resulted in the denial of lawful meal periods owed to PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES, in violation of California's meal period laws.

DEFENDANTS failed to pay PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES, an additional hour of wages at their respective regular rates of compensation for each workday a lawful meal period was not provided. DEFENDANTS either failed to pay a meal period premium at all for each workday a lawful meal period was not provided and/or failed to pay the proper meal period premium for failure to incorporate all non-discretionary remuneration, including but not limited to, bonuses, shift differential pay and/or other non-discretionary compensation into the regular rate or compensation for purposes of calculating the owed meal period premium.

The aforementioned conduct results in violations of Labor Code sections 226.7, 512, and 1198-1199, and all applicable IWC Wage Orders, section 11(A) and (C) along with all applicable IWC Wage Orders. These violations subject DEFENDANTS to civil penalties under Labor Code sections 558.1, 558 and 2699, and all applicable IWC Wage Orders, section 20. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each

NON-EXEMPT AGGRIEVED EMPLOYEE for each pay period during which the referenced statutes and Wage Order provisions were violated.³ DEFENDANTS' failure to provide valid meal periods, and the automatic deduction for meal periods that were not provided/valid, ultimately results in further violations, such as violations of Labor Code sections 1174, 1199, 226.6, discussed above, and other violations discussed below.

Rest Period Violations: California law requires employers to provide employees a paid, duty-free ten (10) minute rest period for each four (4) hours worked, or major fraction thereof. *See* applicable IWC Wage Order, §12(A). In *Brinker v. Superior Court*, 53 Cal.4th 1004 (2012), the California Supreme Court held that employees are entitled to a 10-minute paid rest period for shifts from 3 ½ to 6 hours in length, two 10-minute rest periods for shifts more than 6 hours up to 10 hours, and three 10-minute rest periods for shifts of more than 10 hours up to 14 hours. (*Id.* at 1029). The rest period requirement obligates employers to permit and authorize employees to take off-duty rest periods, meaning employers must relieve employees of all duties and relinquish control over how employees spend their time. *Augustus v. ABM Security Services, Inc.*, (2016) 5 Cal.5th 257, 269. Employers must pay employees an additional hour of wages at the employee's regular rate of pay for each missed or improper rest period (e.g., less than 10 minutes, interrupted rest period, rest period(s) at improper time(s) during shift(s). Lab. Code §226.7; applicable IWC Wage Order, §12(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").

Moreover, under California law rest periods must be a "net" ten minutes in a suitable rest area. *Id.* at 268 (relying on January 3, 1986 and February 22, 2002 DLSE Letters wherein the DLSE ruled that the net ten-minute language for rest periods means ten minutes of time in a rest area and cannot include time it takes to get to and from the rest area). The employer must show that it clearly articulates the right to a net ten minutes, which means it must clearly communicate what "net" ten minutes means (i.e., regardless of what happens along the way to and from a rest area, employees are entitled to a full ten minutes of rest in the rest area). *Id.*; see also, *Bufile v. Dollar Fin. Grp., Inc.*, (2008) 162 Cal. App. 4th 1193, 1199 (the "onus is on the employer to clearly communicate the authorization and permission [to take rest periods] to their employees.").

DEFENDANTS did not properly authorize and provide PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES with legally compliant rest periods at a rate of every four (4) hours worked or major fraction thereof, that insofar as practicable, are provided in the middle of the work period, as required by law.

PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES were not adequately informed, authorized, instructed about, nor permitted an opportunity to take proper rest breaks per

³ See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period"); Lab. Code §558 (establishing that the civil penalty is "for each underpaid employee for each pay period for which the employee was underpaid"); All applicable IWC Wage Orders, §20 (establishing that "[i]n addition to any other civil penalties provided by law, any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalty...for each underpaid employee for each pay period during which the employee was underpaid").

California law. Based on information and belief, DEFENDANTS had no policy in place nor instruction as to the taking of duty-free rest periods. Based on information and belief, DEFENDANTS did not have a compliant written rest period policy, nor did DEFENDANTS have any sort of compliant rest period policy in practice.

For example, based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES were frequently, if not always, unable to take compliant rest periods due to their need to complete assigned job duties and/or were unable to take a net ten-minute rest period in a suitable rest area and/or had purported rest periods restricted to DEFENDANTS' premises.

Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES' rest periods were interrupted, cut short, on duty, restricted to premises and/or late due to understaffing, the nature and constraints of their job duties, and/or due to commentary from supervisors/ managers pressuring NON-EXEMPT AGGRIEVED EMPLOYEES to skip rest breaks completely or otherwise take non-compliant rest periods.

Moreover, based on information and belief, DEFENDANTS failed to provide any form of a third rest period on shifts lasting longer than ten hours.

Based on information and belief, DEFENDANTS implemented policies and/or practices that failed to relieve PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES of all duties and DEFENDANTS' control during rest periods.

Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES were pressured to complete their work duties according to a designated schedule such that rest breaks were only taken once tasks were completed, and/or as time permitted.

Furthermore, DEFENDANTS failed to pay a rest period premium for each day in which NON-EXEMPT AGGRIEVED EMPLOYEES experienced a missed or otherwise unlawful rest period in violation of California law. *Bluford v. Safeway Stores, Inc.* (2013) 216 Cal. App. 4th 864, 872. DEFENDANTS failed to pay PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES, an additional hour of wages at their respective regular rates of pay for each workday a proper rest period was not provided. DEFENDANTS either failed to pay a rest period premium at all for each workday a lawful rest period was not provided and/or failed to pay the proper rest period premium for failure to incorporate all non-discretionary remuneration, including but not limited to, bonuses, shift differential pay, and/or other non-discretionary compensation into the regular rate of compensation for purposes of calculating the owed rest period premium.

The aforementioned conduct results in violations of Labor Code sections 226.7, and 1198-1199, and all applicable IWC Wage Orders, §12(A). These violations subject DEFENDANTS to civil penalties under Labor Code sections 558, 2699, and all applicable IWC Wage Orders, §20. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE for each pay period during which the referenced statutes and Wage Order provisions were violated.⁴

⁴ See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period"); and All applicable IWC Wage Orders, §20 (establishing that "[i]n addition to any other civil penalties provided by law,

Cooldown Recovery Period Violations: California Code of Regulations, Title 8, section 3395 mandates that all employers with “outdoor places of employment” implement a heat illness prevention program that includes, among other requirements, providing workers “cool-down” periods of at least five minutes in the shade. Specifically, section 3395 provides that “employees shall be allowed and encouraged to take a cool-down rest in the shade for a period of no less than five minutes at a time when they feel the need to do so to protect themselves from overheating” and that “such access to shade shall be permitted at all times.” Under California Labor Code section 226.7, if an employer fails to provide an employee a recovery period, 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.

Based on information and belief, PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES were required to spend multiple hours at a time outdoors in significantly high temperature heat conditions. DEFENDANTS failed to provide proper heat illness prevention training and/or heat illness policies/practices/programs as required by California’s Heat Illness Prevention statute, Title 8 Section 3395(d). DEFENDANTS failed to provide adequate access to drinking water as required by California’s Heat Illness Prevention statute, Title 8 Section 3395(c). Moreover, DEFENDANTS maintained a policy and practice of not permitting necessary time for cooldown recovery breaks, and as a result, NON-EXEMPT AGGRIEVED EMPLOYEES were required to remain outdoors with little to no access to shade for extended periods of time. In addition, DEFENDANTS, failed to pay PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES with an additional hour of pay at PLAINTIFF’s regular rate of pay for each missed cooldown recovery period.

Failure to Provide Suitable Resting Facilities: Per section 13 of all applicable IWC Wage Orders, employees shall be provided with suitable resting facilities. Section 13(B) of the Wage Orders provides: “Suitable resting facilities shall be provided in an area separate from the toilet rooms and shall be available to employees during work hours.”

DEFENDANTS’ locations/facilities are generally similar in layout and design, and there was, and continue to be, space that allows for a resting facility that employees may use to cease work and recover during meal or rest periods. DEFENDANTS could have provided NON-EXEMPT AGGRIEVED EMPLOYEES with a resting facility within DEFENDANTS’ facilities/locations with reasonable or no modification, but instead denied and continue to deny, employees with suitable areas to rest (e.g. a breakroom). As a result, NON-EXEMPT AGGRIEVED EMPLOYEES were forced to adjust to areas not conducive to resting, including but not limited to leaning up against the wall, or search for facilities outside of DEFENDANTS’ premises which are not designated or reserved for rest, such as their personal vehicles.

DEFENDANTS did not provide NON-EXEMPT AGGRIEVED EMPLOYEES with suitable resting facilities during their hours of work, particularly during meal and/or rest periods.

any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalty...for each underpaid employee for each pay period during which the employee was underpaid”).

DEFENDANTS' failure to provide suitable resting facilities to NON-EXEMPT AGGRIEVED EMPLOYEES violated and continue to violate the applicable Wage Order, section 13(B) and the California Labor Code, including but not limited to section 1198.

Minimum Wage Violations: "Notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorneys' fees, and costs of suit." Labor Code section 1194.

Labor Code section 1197 states the California requirement that employees must be paid at least the minimum wage fixed by the Commission, and any payment of less than the minimum wage is unlawful. The minimum wage standard applies to each hour employees worked for which they were not paid. Pursuant to section 4 of the applicable Wage Order, "Every employer shall pay to each employee not less than the applicable minimum wage for all hours worked in the payroll period..." The applicable 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." See §2 of all applicable Wage Orders. Therefore, employers are required to pay employees for all time spent subject to the control of the employer and all time the employee is suffered or permitted to work. An employer's failure to pay for any particular hour worked by an employee is unlawful even if averaging an employee's total pay over all hours worked, paid or not, results in an average hourly wage above minimum wage. *Armenta v. Osmose, Inc.* (2005) 135 Cal.App.4th 314, 324. Furthermore, "in any action under Section 98, 1193.6, 1194, or 1197.1 to recover wages because of the payment of a wage less than the minimum wage fixed by an order of the commission or by statute, an employee shall be entitled to recover liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon..." *Cal. Lab. Code* § 1194.2.

DEFENDANTS failed to compensate PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES for all hours worked by virtue of DEFENDANTS' automatic deduction and time rounding policies for shift start and shift end times and meal period start and end times, and failure to relieve employees of all duties/employer control during unpaid meal periods or otherwise unlawful practices for missed or improper meal periods as explained above.

Based on information and belief, DEFENDANTS implemented a policy and/or practice of rounding meal period start and end times and/or automatically deducting at least thirty minutes per shift for meal periods, despite having actual and/or constructive knowledge that PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES were subject to DEFENDANTS' control during purported meal periods and/or were otherwise not afforded with lawful meal periods, depriving PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES of all wages owed.

Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES were not paid for all hours worked due to DEFENDANTS' policy and/or practice of paying according to scheduled hours worked instead of actual time worked, and/or mandated off-the clock work policies and/or practices.

For example, PLAINTIFF was frequently required to respond to work-related calls and/or messages before clocking in for the start of his shift and/or after clocking out for the end of his shift and/or during unpaid meal periods and/or otherwise outside of PLAINTIFF's scheduled shift times, resulting in DEFENDANTS' failure to compensate PLAINTIFF for all work time and the underpayment of wages owed to PLAINTIFF.

Based on information and belief, DEFENDANTS have a policy and practice of requiring other NON-EXEMPT AGGRIEVED EMPLOYEES to also perform work tasks outside of scheduled shift times and/or during unpaid meal periods, including but not limited to, responding to work-related communications and/or completing other off-the-clock work tasks.

For example, based on information and belief, DEFENDANTS required NON-EXEMPT AGGRIEVED EMPLOYEES to be at their assigned workstations at the start of a scheduled shift, thereby forcing NON-EXEMPT AGGRIEVED EMPLOYEES to gather work-related equipment and/or safety gear, make any necessary adjustments to tools/equipment and/or perform maintenance/cleaning tasks, don work clothing/uniforms and/or protective equipment, and/or complete other work tasks prior to their scheduled shift and/or prior to clocking in/signing in, thereby resulting in pre-shift off-the-clock work.

Based on information and belief, at times, NON-EXEMPT AGGRIEVED EMPLOYEES were required to stand in line behind other employees to enter DEFENDANTS' facilities and/or to access DEFENDANTS' time-keeping system and/or were required to spend time reinitiating DEFENDANTS' time-keeping system before they could clock in for the start of their shifts and/or after completing a purported meal period.

Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES were required to complete other off-the-clock work tasks after clocking out for the end of their shifts and/or during uncompensated meal periods, resulting in off-the-clock work and the underpayment of minimum and overtime wages owed to NON-EXEMPT AGGRIEVED EMPLOYEES.

For example, based on information and belief, DEFENDANTS required NON-EXEMPT AGGRIEVED EMPLOYEES to clock out for the end of their shifts but to continue working due to the need to return/maintain tools, clean and/or organize their work stations/areas, complete administrative tasks, provide shift status updates and/or debriefings and/or participate in work meetings, respond to work-related communications and/or perform other work tasks off-the-clock, resulting in the underpayment of minimum wages and overtime wages owed to NON-EXEMPT AGGRIEVED EMPLOYEES.

Based on information and belief, DEFENDANTS did not compensate NON-EXEMPT AGGRIEVED EMPLOYEES for all time spent donning and doffing personal protective equipment, safety equipment and/or uniforms/work clothing (e.g., gloves, goggles/safety glasses, reflective vests, earplugs and/or earmuffs and/or hats/bump caps/safety helmets and/or face masks) during meal periods, before the start of a scheduled shift, and after completing a scheduled shift, resulting in DEFENDANTS' failure to pay NON-EXEMPT AGGRIEVED EMPLOYEES for all

work time and the underpayment of minimum wages and overtime wages owed to NON-EXEMPT AGGRIEVED EMPLOYEES.

Based on information and belief, at times, DEFENDANTS' electronic employee time-keeping system/app malfunctioned such that NON-EXEMPT AGGRIEVED EMPLOYEES were required to either reinitiate and/or otherwise troubleshoot the system prior to being able to clock in and/or were unable to clock in at all for the start of their shifts and/or clock back in from meal periods, resulting in off-the-clock work and the underpayment of wages owed to NON-EXEMPT AGGRIEVED EMPLOYEES. Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES experienced the same issues when clocking out for shifts and/or back in for meal periods. This time spent under DEFENDANTS control was not recorded and not compensated and resulted in unpaid minimum wages owed to NON-EXEMPT AGGRIEVED EMPLOYEES.

Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES were required to undergo security screenings and/or other mandated screenings before and/or after a scheduled shift and/or before or after clocking in/out for work, resulting in pre-shift and/or post-shift off-the-clock work.

Based on information and belief, DEFENDANTS required NON-EXEMPT AGGRIEVED EMPLOYEES to undergo COVID-19 temperature screenings and/or complete questionnaires prior to beginning their scheduled shift and/or prior to clocking/signing in, thereby, resulting in pre-shift off-the-clock work.

Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES were also pressured to complete at least some additional work tasks off-the-clock in order to meet DEFENDANTS' goals and expectations.

For example, as explained above, NON-EXEMPT AGGRIEVED EMPLOYEES were required to complete off-the-clock work outside of scheduled shifts due to including but not limited to, work-related phone calls and/or messages they received to their phones and/or mobile devices and were required to respond to, including but not limited to, communications from supervisors regarding scheduling and/or other work tasks, resulting in the underpayment of wages owed to NON-EXEMPT AGGRIEVED EMPLOYEES.

Based on information and belief, DEFENDANTS engaged in systemic time record manipulation to shave time worked off PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES' workdays, by, for example, editing written and/or electronic time records to delete portions of total hours worked or otherwise understate actual hours worked by PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES.

Based on information and belief, DEFENDANTS failed to pay NON-EXEMPT AGGRIEVED EMPLOYEES the applicable minimum wage for the county and/or city within which the NON-EXEMPT AGGRIEVED EMPLOYEE worked in California.

For example, based on information and belief, at times, DEFENDANTS required PLAINTIFF and/or other NON-EXEMPT AGGRIEVED EMPLOYEES to work two separate shifts in the same

day. Based on information and belief, DEFENDANTS failed to pay PLAINTIFF and/or other NON-EXEMPT AGGRIEVED EMPLOYEES split shift compensation whenever PLAINTIFF's and/or other NON-EXEMPT AGGRIEVED EMPLOYEES' work schedules were interrupted by non-paid non-working periods established by DEFENDANTS, which resulted in a violation of the applicable Wage Order (See section 4 of all applicable Wage orders, "When an employee works a split shift, one (1) hour's pay at the minimum wage shall be paid in addition to the minimum wage for that workday..."). See, also, Cal. Code Regs. Tit. 8, § 11050 (when an employee works a split shift, one (1) hour's pay at the minimum wage shall be paid in addition to the minimum wage for that workday, except when the employee resides at the place of employment).

DEFENDANTS also failed to separately itemize these split shift premium wages on PLAINTIFF's and/or other NON-EXEMPT AGGRIEVED EMPLOYEES' wage statements, in violation of including but not limited, Labor Code sections 510, 1194 and all applicable IWC Wage Orders. See, https://www.dir.ca.gov/dlse/split_shift.htm. (The employer must itemize the premium payment on the pay stub provided to the employee, and it should be shown as a separate category such as "Split Shift Premium" and should not be lumped into another category such as wages, bonus, etc. DEFENDANTS failed to separately account for the split shift premiums earned by PLAINTIFF and/or other NON-EXEMPT AGGRIEVED EMPLOYEES on their wage statements.

For example, DEFENDANTS typically required PLAINTIFF to work two separate shifts in the same day, however, DEFENDANTS failed to pay PLAINTIFF split shift compensation whenever PLAINTIFF's work schedule(s) was interrupted by non-paid non-working periods established by DEFENDANTS. Based on further information and belief, DEFENDANTS also failed to separately itemize these split shift premium wages on PLAINTIFF's wage statements, in violation of Labor Code sections 510, 1194 and all applicable IWC Wage Orders.

Based on information and belief, DEFENDANTS failed to pay NON-EXEMPT AGGRIEVED EMPLOYEES for time they were required to spend completing orientation, policy questionnaires, and/or time spent completing the onboarding process including but not limited to reviewing various documents and policies provided by DEFENDANTS. Based on information and belief, this work time was completed off-the-clock and was not compensated.

Based on further information and belief, DEFENDANTS implemented a time-rounding system that as applied systematically deprived PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES of compensable time because the time-rounding system implemented by DEFENDANTS would almost always, if not always, result in understating actual compensable work time. DEFENDANTS' failure to pay for all time worked by virtue of their time-rounding practices resulted in the underpayment of minimum wages owed to PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES as well as unpaid overtime wages for those NON-EXEMPT AGGRIEVED EMPLOYEES who worked more than eight (8) hours in a day and/or more than forty (40) hours in a week.

DEFENDANTS' failure to pay for all time worked by virtue of their time rounding, auto-deduction policies and practices for unlawful meal periods, failure to provide lawful meal periods, and/or other off-the-clock work practices and policies, resulted in the underpayment of minimum wages owed to PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES as well as unpaid

overtime wages for those NON-EXEMPT AGGRIEVED EMPLOYEES who worked more than eight (8) hours in a day and/or more than forty (40) hours in a week.

Based on information and belief, DEFENDANTS had actual and/or constructive knowledge that their time rounding policies/practices, auto-deduction policies and practices, failure to provide lawful meal periods and/or other off-the-clock work resulted in the underpayment of minimum wages owed to PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES, in violation of California's minimum wage laws.

These violations subject DEFENDANTS to civil penalties under Labor Code sections 558, 558.1, 1197.1 and all applicable IWC Wage Orders, §20. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE, for each pay period during which the referenced statutes and Wage Order provisions were violated.⁵

Overtime Violations: California law requires employers to pay overtime equal to one and one-half times the regular hourly rate of pay for each hour worked beyond eight (8) hours per workday and each hour worked beyond forty (40) hours per work week. Lab. Code §510; IWC Wage Order All applicable IWC Wage Orders §3. Employers must pay overtime equal to double the regular hourly rate of pay for each hour worked beyond twelve (12) hours per workday and for all hours worked in excess of eight (8) hours on the seventh consecutive day of work in a work week. *Ibid.*

Based on information and belief, DEFENDANTS violated California's overtime laws by, among other things, failing to correctly calculate, or record, the total number of hours worked by PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES and not paying proper overtime rates for overtime worked by virtue of same.

Namely, DEFENDANTS' automatic deduction and time rounding policies and practices for meal periods and shift start times and shift end times, payment according to scheduled hours worked rather than actual time worked, off-the-clock/unpaid work completed during meal periods and/or time spent restricted to DEFENDANTS' premises and/or subject to DEFENDANTS' control during off-the-clock meal periods (described above), and/or other off-the-clock work resulted in the failure to account for all hours worked and thus the denial of minimum wages as well as overtime wages owed to PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES who worked more than eight (8) hours in a day or more than forty (40) hours in a week.

Based on information and belief, DEFENDANTS failed and continue to fail to pay a premium wage rate for all hours worked beyond eight (8) hours in a day or beyond forty (40) hours in a week.

⁵ See Lab. Code §1197.1(a) (establishing that the civil penalty is "for each underpaid employee for each pay period for which the employee was underpaid"); All applicable IWC Wage Orders, §20 (establishing that "[i]n addition to any other civil penalties provided by law, any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalty...for each underpaid employee for each pay period during which the employee was underpaid").

Based on information and belief, DEFENDANTS failed and continue to fail to pay twice NON-EXEMPT AGGRIEVED EMPLOYEES' regular rate(s) of pay for time worked beyond twelve (12) hours per workday and for time worked beyond eight (8) hours on the seventh consecutive day of work in a work week, in violation of California's overtime laws.

Based on information and belief, DEFENDANTS calculated the owed overtime rate(s) based on the California minimum wage rate as opposed to calculating the overtime rate(s) based on the minimum wage established for the cities and/or counties within which NON-EXEMPT AGGRIEVED EMPLOYEES worked, resulting in the miscalculation and underpayment of overtime wages owed to NON-EXEMPT AGGRIEVED EMPLOYEES who worked in cities and/or counties in California with minimum wage rates above the California minimum wage rate.

Based on information and belief, DEFENDANTS failed to pay PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES all owed overtime wages due to DEFENDANTS' policy and practice of scheduling PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES for split shifts and thus only paying premium wages, if at all, for time worked beyond eight (8) hours in a shift, while failing to pay all premium wages for all time worked beyond eight (8) hours in a workday, resulting in denied overtime wages owed to PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES.

Based on information and belief, DEFENDANTS failed to incorporate all non-discretionary remuneration, including but not limited to, shift differential pay, bonus pay, multiple base rates of pay and/or other non-discretionary pay into the regular rate of pay used to calculate the owed overtime rate(s), resulting in the miscalculation and underpayment of overtime wages owed to PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES.

For example, based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES earned shift differential pay, non-discretionary bonuses/incentive pay and/or other non-discretionary compensation during pay periods in which they worked overtime, yet DEFENDANTS failed to incorporate all non-discretionary compensation into the regular rate(s) used to calculate the owed overtime rate(s), resulting in the miscalculation and underpayment of overtime wages owed to NON-EXEMPT AGGRIEVED EMPLOYEES.

This conduct results in violations of Labor Code sections 218.5, 510, 558, 558.1, 1198-1199, and all applicable IWC Wage Orders, §12(A). These violations subject DEFENDANTS to civil penalties under Labor Code sections 558, 558.1, 218.5, and 2699, and all applicable IWC Wage Orders, §20. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE, for each pay period during which the referenced statutes and Wage Order provisions were violated.⁶

⁶ See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period"); Lab. Code §558 (establishing that the civil penalty is "for each underpaid employee for each pay period for which the employee was underpaid"); All applicable Wage Orders, §20 (establishing that "[i]n addition to any other civil penalties provided by law, any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalty...for each underpaid employee for each pay period during which the employee was underpaid").

Violation of California Labor Code §§ 245-248.5: Throughout the relevant time period, DEFENDANTS failed to provide proper paid sick leave to PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES. DEFENDANTS either failed to provide paid sick leave at all or improperly calculated the sick leave accrual and the sick leave rate of pay owed to PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES by failing to base the accrued sick leave hours on the correct number of hours worked (as a result of the rounding/automatic deduction policies and practices for meal periods and/or shift start and end times/other required off-the-clock work including but not limited to work completed during unpaid meal periods and by failing to incorporate multiple rates of pay and/or all non-discretionary remuneration, including but not limited to, non-discretionary bonuses, shift differential pay, commission and/or piece-rate compensation and/or other non-discretionary compensation into the sick leave pay rate calculation.

Based on information and belief, DEFENDANTS further failed to provide notice of the correct sick leave amount balance available to PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES on their wage statements or other written statements.

Based on information and belief, DEFENDANTS failed to put NON-EXEMPT AGGRIEVED on notice of their paid sick leave rights—or thereby putting their entitlement to sick leave in a Labor Code section 2810.5 notice. In addition, DEFENDANTS failed to maintain accurate records of used sick leave and the balance of paid sick leave left to the NON-EXEMPT AGGRIEVED EMPLOYEE throughout the relevant time period.

Based on information and belief, throughout the relevant period, DEFENDANTS failed to provide notice of sick leave amount balance left for PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES, thus affecting their intelligent exercise of their paid sick leave. But for this failure, PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES would have used their paid sick leave at least prior to their respective separations, for as on several occasions thereafter, he or she would have been entitled to use the banked sick leave and earn appropriate compensation.

This illegal retention of paid sick leave is unlawful, and PLAINTIFF seeks all forms of injunctive relief, restitution, and declaratory relief as permitted by California law, on behalf of PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES.

In violation of Labor Code section 247.5, DEFENDANTS failed to maintain records documenting the hours worked and paid sick days accrued and used by PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES, permitting the presumption that PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES were entitled to the maximum number of hours accruable under this article.

Upon information and belief, DEFENDANTS further failed and continue to fail to comply with Labor Code section 246, by failing to provide PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES with a Labor Code section 226 wage statement, or separate writing containing the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, at the time it pays wages.

DEFENDANTS unlawfully retained and continue to retain paid sick leave that should have been paid but was not, as a result of DEFENDANTS' failure to properly institute a paid sick leave program.

On information and belief, PLAINTIFF alleges that all of these practices were experienced and continue to be experienced by other NON-EXEMPT AGGRIEVED EMPLOYEES.

PLAINTIFF requests all appropriate relief under the PAGA and these statutes, including but not limited to the restitution of earned paid sick leave that could have been used, but was not due to DEFENDANTS' sole failure to institute such a paid sick leave entitlement or paid sick leave bank as required by California law.

Accordingly, PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES are entitled to injunctive relief, attorney's fees, declaratory relief, restitution, and penalties as permitted by law. PLAINTIFF requests all relief pursuant to the aforementioned code provisions, including but not limited to Labor Code sections 233 and 234, which incorporates the paid sick leave requirements.

Refusal to Make Payment: Labor Code section 216 declares unlawful an employer's refusal to pay wages due and payable and/or denial of the validity of any claim to wages due.

DEFENDANTS violated and continue to violate Labor Code section 216 by failing to pay PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES for all hours worked at the proper wage rate and by failing to pay PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES an additional hour of pay for each meal and/or rest period not provided or that was invalid. *Gould v. Maryland Sound Industries, Inc.* (1995) 31 Cal.App.4th 1137, 1154-1155.

These violations subject DEFENDANTS to civil penalties under Labor Code section 225.5. Each violation results in a *separate* civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE, for each pay period during which the statute's provisions were violated.⁷

Wage Statement Violations: California law requires every employer semi-monthly or at the time of each payment of wages to furnish each of his or her employees with an accurate itemized wage statement in writing that contains the following: (1) gross wages earned; (2) total hours worked by the employee; (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; (4) all deductions; (5) net wages earned; (6) the inclusive dates of the period for which the employee is paid; (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number; (8) the name and address of the legal entity that is the employer; and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. Cal. Lab. Code. section 226(a).

⁷ Labor Code § 225.5 (establishing that “[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who unlawfully withholds wages due any employee in violation of sections 212, 216, 221, 222, or 223 shall be subject to a civil penalty...for each failure to pay each employee”) (emphasis added).

As DEFENDANTS failed to provide PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES with meal and rest periods that complied with Labor Code section 226.7, the wage statements DEFENDANTS issued to PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES failed and continue to fail to correctly set forth (a) the gross wages earned, in violation of Labor Code section 226(a)(1); (b) the total hours worked by the employee in violation of Labor Code section 226(a)(2); (c) the net wages earned, in violation of Labor Code section 226(a)(5); and (d) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee, in violation of Labor Code section 226(a)(9).

DEFENDANTS' issued wage statements to PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES that also failed to indicate the earned gross and net wages earned during the pay period, the correct applicable rates of pay for all hours worked, and the "total hours worked" by PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES (by virtue of rounded time entries, automatic deduction for meal periods/failure to relieve NON-EXEMPT AGGRIEVED EMPLOYEES of all duties and employer control during unpaid meal periods, payment according to scheduled hours worked rather than actual hours worked, and/or other off-the-clock work policies and practices described above), which results in a violation of Labor Code section 226(a).

Separately, and independent of the above allegations, based on information and belief, DEFENDANTS issued wage statements to NON-EXEMPT AGGRIEVED EMPLOYEES that failed to list the total hours worked, in violation of including but not limited to, Labor Code section 226(a)(2).

Failure to list all hours worked on a wage statement, gives rise to an inference of injury under Labor Code Section 226 (*Maldonado v. Epsilon Plastics, Inc.*, (2018) 22 Cal.App.5th 1308, 1337).

Based on information and belief, wage statements issued by DEFENDANTS failed to list the inclusive dates of the pay period for which the NON-EXEMPT AGGRIEVED EMPLOYEE or EXEMPT AGGRIEVED EMPLOYEE is being paid.

For example, based on information and belief, wage statements issued by DEFENDANTS failed to list the inclusive dates of the pay period for which the NON-EXEMPT AGGRIEVED EMPLOYEE is being paid. For example, based on information and belief, at times, DEFENDANTS issued wage statements to NON-EXEMPT AGGRIEVED EMPLOYEES containing payment for hours worked during previous pay periods, yet DEFENDANTS' wage statements do not include the inclusive dates of the accurate pay period for that retroactive pay, further failing to list the total hours worked for the pay period, including but not limited to, the total hours worked for the pay period the retroactive pay corresponds with.

For example, based on information and belief, at times, DEFENDANTS issued wage statement(s) to PLAINTIFF and/or other NON-EXEMPT AGGRIEVED EMPLOYEES, that list a category for "Retro" pay without including the inclusive dates of the accurate pay period for that "Retro" pay, further failing to list the total hours worked for the pay period, including but not limited to, the total hours worked for the pay period the retroactive pay corresponds with, in violation of including but not limited to, Labor Code section 226(a)(2) and/or Labor Code section 226(a)(6).

Based on information and belief, DEFENDANTS failed to accurately list all deductions on wage statements issued to NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES, in violation of including but not limited to, Labor Code section 226(a)(4).

DEFENDANTS' failure to accurately list all hours worked on all wage statements caused confusion to PLAINTIFF and caused and continue to cause confusion to the NON-EXEMPT AGGRIEVED EMPLOYEES over whether they received all wages owed to them. PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES were injured by DEFENDANTS' failure to provide accurate wage statements.

In addition, because of the violations detailed above, including but not limited to, not paying regular and overtime wages for all hours worked, not paying all sick leave wages at the proper rates, and failing to provide meal and rest break premiums, DEFENDANTS have violated California Labor Code § 226 by willfully failing to furnish PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES with accurate, itemized wage statements. As described herein, based on information and belief, DEFENDANTS also failed to incorporate all forms of non-discretionary compensation earned during the pay period into the overtime pay rate calculation, and as such, failed to display the proper overtime rate(s) for each hour of overtime worked by PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES.

Based on information and belief, wage statements issued by DEFENDANTS failed to list all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee, in violation of Labor Code section 226(a)(9).

For example, based on information and belief, wage statements issued by DEFENDANTS failed to list all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee, in violation of Labor Code section 226(a)(9) due to DEFENDANTS' failure to list an overtime rate category at all and/or failure to list a category containing the proper overtime rate.

Moreover, based on information and belief, DEFENDANTS issued wage statements to PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES that further violate Labor Code section 226(a), by among other things, failing to list the correct name and/or address of the legal entity that is the employer.

As a result, the wage statements provided to PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES were not accurate and did not include all of the statutorily required information.

These violations subject DEFENDANTS to civil penalties under Labor Code section 226. Each violation results in a *separate* civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE

and each EXEMPT AGGRIEVED EMPLOYEE, for each pay period during which the statute provisions were violated.⁸

Unlawful Deductions: Labor Code section 221 prohibits an employer from “collect[ing] or receiv[ing] from an employee any part of wages theretofore paid by said employer to said employee.” Based on information and belief DEFENDANTS made unlawful deductions from NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES paychecks during the relevant period including but not limited to deducting costs of uniforms and/or other business costs and/or deducting wages for purported overpayments from previous pay periods and/or unlawfully deducting wages for negligently damaged property. Such a practice is in violation of including but not limited to, Labor Code Sections 221-222 which subjects DEFENDANTS to civil penalties under Labor Code Section 2699.

Each violation results in a separate civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE and EXEMPT AGGRIEVED EMPLOYEE, for each pay period during which the statute provisions were violated. See Lab. Code §225.5 (establishing that “[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who unlawfully withholds wages due any employee in violation of Section 212, 216, 221, 222, or 223 shall be subject to a civil penalty...for each failure to pay each employee”).

Semimonthly Payment Violations: Labor Code section 204 requires that all earned wages must be paid to employees twice during each calendar month. DEFENDANTS violated this section by, including but not limited to, failing to pay PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES an additional hour of pay for meal and rest periods not provided and/or otherwise unlawful, by failing to compensate employees for all hours worked, and by failing to pay proper premium wage rates for all hours worked. These violations subject DEFENDANTS to civil penalties under Labor Code section 210. Each violation results in a *separate* civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE for each pay period during which the statute’s provisions were violated.

Reporting Time Pay Violations:

Section 5 of all applicable IWC Wage Orders, provides as follows:

(A) Each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee’s usual or scheduled day’s work, the employee shall be paid for half the usual or scheduled day’s work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee’s regular rate of pay, which shall not be less than the minimum wage. (B) If an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting

NON-EXEMPT AGGRIEVED EMPLOYEES not paid reporting time wages in accordance with California law, including but not limited to the applicable IWC Wage Order. For example, based on information and belief, at times, NON-EXEMPT AGGRIEVED EMPLOYEES reported to

⁸ See Lab. Code §226.3 (establishing that the civil penalty is “per employee per violation”).

work for a scheduled shift but were sent home and/or were not put to work and were not paid all owed reporting time pay wages in accordance with California law.

Based on information and belief, DEFENDANTS have a policy and practice of failing to pay all reporting time wages to NON-EXEMPT AGGRIEVED EMPLOYEES, in violation of California law, including but not limited to, the applicable IWC Wage Order, Section 5. DEFENDANTS' failure to pay all reporting time wages to PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES violated and continue to violate the applicable Wage Order, section 5(A)-(B) and the California Labor Code, including but not limited to section 1198.

Violation of California Day of Rest Law

Under California law, every employee in California is "entitled" to "one day's rest [from labor] in seven"; and, no employer may "cause" their employees "to work more than six days in seven." *See* Labor Code Sections 551 and 552. Labor Code section 553 provides that a violation of the foregoing sections is a misdemeanor.

Based on information and belief, DEFENDANTS have and continue to have a uniform policy and practice of requiring NON-EXEMPT AGGRIEVED EMPLOYEES to work at least seven days consecutively in a workweek, in violation of including but not limited to, Labor Code Section 551. Based on information and belief, PLAINTIFF and/or other NON-EXEMPT AGGRIEVED EMPLOYEES were suffered, permitted, or required to work at least seven (7) days consecutively in a workweek, in violation of California law, including but not limited to Labor Code Section 551.

Seating Violations: Per section 14(A-B) of all applicable IWC Wage Orders, employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats and when they are not actively engaged in the work duties that would not permit them to be seated.

All applicable IWC Wage Orders, Section 14(A-B) provides:

(A) All working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats.

(B) When employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties.

Suitable seating is one of the worker protections covered by California's Wage Orders, which have the same dignity as statutes, are remedial in nature and are to be broadly construed to effectuate the goal of protecting the comfort and welfare of employees. *Brinker Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004, 1027 (2012).

Based on information and belief, DEFENDANTS failed to provide NON-EXEMPT AGGRIEVED EMPLOYEES with suitable seating, and when such employees were not engaged

in duties which required them to stand, no seating was placed in reasonable proximity to their workstations.

Moreover, based on information and belief, the nature of the work reasonably permitted the use of seats for at least part of the time that NON-EXEMPT AGGRIEVED EMPLOYEES were working. Lastly, based on information and belief, there were periods of time when NON-EXEMPT AGGRIEVED EMPLOYEES were not engaged in active duties of their employment, yet there were no suitable seats in reasonable proximity to the work area and use of seats would not interfere with the performance of their duties.

DEFENDANTS' NON-EXEMPT AGGRIEVED EMPLOYEES worked in various positions. The nature of NON-EXEMPT AGGRIEVED EMPLOYEES' work reasonably permitted the use of seats. However, DEFENDANTS failed to provide suitable seating in reasonable proximity to NON-EXEMPT AGGRIEVED EMPLOYEES' work areas in violation of section 14(A-B) of all applicable Wage Orders, and Labor Code sections 1198 and 1199, subjecting DEFENDANTS to civil penalties under Labor Code sections 1199 and 2699. Each violation of each Labor Code section and IWC Wage Order provision, for each NON-EXEMPT AGGRIEVED EMPLOYEE, results in a separate civil penalty.⁹

Standard Conditions of Labor Violations: Together, Labor Code sections 1198 and 1199 make unlawful any employment of any employee under conditions of labor prohibited by the Wage Orders, and any violation, refusal, or neglect to comply with any provision within Part 4, Chapter 1 of the Labor Code, including sections 1174, 1197, and 1198, or order or ruling of the commission.

Therefore, DEFENDANTS' violations, including but not limited to, with respect to meal periods, rest periods, recordkeeping provisions, minimum wages and overtime wages, business expenses, and other violations described herein result in separate violations of sections 1198 and 1199, which subject DEFENDANTS to civil penalties under Labor Code sections 1197.1 and 2699.

Statutory Wage Violations: Labor Code section 223 makes it unlawful for an employer to secretly pay wages lower than required by statute while purporting to pay legal wages.

As described above, DEFENDANTS willfully and systematically denied PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES of minimum and overtime wage compensation for all hours worked which resulted in the payment of less than statutorily required wages owed to them. DEFENDANTS acted with the intent to deprive them of statutory wages, including, but not limited to, overtime wages and minimum wages, to which they were entitled to under California law.

Thus, DEFENDANTS paid PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES lower wages than those they were entitled to while purporting that PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES were properly paid. As such, PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES are entitled to recover penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code § 2699(f)-(g).

⁹ See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

Failure to Pay Vested Vacation/Paid Time Off:

California Labor Code section 227.3 provides that when an employer policy provides for paid vacations and/or paid time off, and an employee is terminated without having taken off his, her, or their vested vacation time, all vested vacation shall be paid to the employee as wages at the employee's final rate in accordance with such contract of employment or employer policy respecting eligibility or time served and that there shall be no forfeiture of vested vacation time or paid time off upon termination. Based on information and belief, DEFENDANTS had and continue to have a uniform policy and practice of failing to allow NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to use their earned vacation/paid time off during their employment and failing to pay all vested, accrued paid time off (including but not limited to, all owed vacation pay/paid time off paid at the final rate including non-discretionary compensation, including but not limited to, shift differentials) to NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES upon separation of employment, in violation of California law, including but not limited to, Labor Code section 227.3.

Final Pay Violations: Labor Code section 201 requires employers to pay all wages earned and unpaid at the time of discharge, immediately upon discharge. California Labor Code section 201(a) provides, in relevant part, that "[i]f an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately." California Labor Code section 202(a) provides, in relevant part, that "[i]f an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting." Pursuant to Labor Code section 203, an employer that willfully fails to pay wages due an employee who is terminated or resigns must pay (in addition to the unpaid wages) a penalty equal to the employee's daily wages for each day, not exceeding 30 days, that the wages are unpaid. This 30-day waiting time penalty is recoverable under the PAGA via Labor Code Section 256. See, *Iskanian v. CLS Transportation Los Angeles, LLC*, 59 Cal.4th 348 (2014); see also, *Caliber Bodyworks, Inc. v. Superior Court*, 134 Cal. App. 4th 365 (2005).

Based on information and belief, DEFENDANTS failed to timely pay NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES all wages that were due and owing upon termination or resignation. Based on information and belief, DEFENDANTS untimely provide final wages to NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES without regard to the timing requirements of Labor Code sections 201-202.

Upon separation of employment, NON-EXEMPT AGGRIEVED EMPLOYEES' and EXEMPT AGGRIEVED EMPLOYEES' final paychecks were not timely provided and/or were not timely provided with all owed vacation pay and/or paid time off. Moreover, NON-EXEMPT AGGRIEVED EMPLOYEES' final paychecks, once provided, did not include all wages owed as they were devoid of, including but not limited to, all owed minimum wages, overtime wages, premium wages, vacation pay, all owed sick leave and/or paid time off wages at the properly accrued rates (including but not limited to, all owed vacation pay/paid time off paid at the final rate including non-discretionary compensation, including but not limited to, shift differentials).

For example, DEFENDANTS did not furnish PLAINTIFF with any final paycheck until at least approximately four (4) days following the separation of PLAINTIFF's employment, and PLAINTIFF's late final paycheck is devoid of all wages owed, including but not limited to, all owed minimum wages, overtime wages, premium wages, vacation pay, all owed sick leave and/or paid time off wages at the properly accrued rates (including but not limited to, all owed vacation pay/paid time off paid at the final rate including non-discretionary compensation, including but not limited to, any shift differentials).

Based on further information and belief, DEFENDANTS failed to timely provide all owed wages immediately upon discharge of employment. Based in information and belief, at times, NON-EXEMPT AGGRIEVED EMPLOYEES experienced breaks in employment caused by DEFENDANTS whereby NON-EXEMPT AGGRIEVED EMPLOYEES would not be called in for work for longer than a single pay period due to including but not limited to DEFENDANTS' lack of work or lack of assignments. Such instances qualify as a discharge of employment. Yet, DEFENDANTS failed to timely pay all owed wages at the end of such periods of employment, in violation of including but not limited to Labor Code section 201-202.

These violations subject DEFENDANTS to civil penalties under Labor Code sections 203, 210, and/or 256. Each violation results in a *separate* civil penalty, for each EXEMPT AGGRIEVED EMPLOYEE and each NON-EXEMPT AGGRIEVED EMPLOYEE for each pay period during which the statute provisions were violated.¹⁰

Violation of Labor Code Section 208:

Labor Code Section 208 provides: Every employee who is discharged shall be paid at the place of discharge, and every employee who quits shall be paid at the office or agency of the employer in the county where the employee has been performing labor. All payments shall be made in the manner provided by law.

Based on information and belief, DEFENDANTS have a policy and practice of failing to provide NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES who are terminated with their final paychecks at the place of discharge and/or of failing to provide NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES with their final paychecks at the office or agency of DEFENDANTS in the county where the work was performed, in violation of Labor Code Section 208.

Business Expense Violations: California law requires employers to indemnify their employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of their duties or of their obedience to the directions of the employer. *See* Cal. Lab. Code § 2802(a) and all applicable Wage Orders, § 9 (b). Furthermore, "for purposes of [section 2802], the term 'necessary expenditure or losses' shall include all reasonable costs, including, but not limited to, attorneys' fees incurred by the employee enforcing the rights granted by this section."

¹⁰ (establishing that "[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who fails to pay the wages of each employee as provided in Sections 201.3, 204, 204b, 204.1, 204.2, 205, 205.5, 1197.5, shall be subject to a civil penalty...for each failure to pay each employee").

Among other things, under California law, 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 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. *See* applicable IWC Wage Order, § 9 (b).

Among other things, under California law, when employees must use their personal cellphones for work-related purposes, the employer must reimburse them for a reasonable percentage of their cell phone bills. *See Cochran v. Schwan's Home Services, Inc.* (2014) 228 Cal.App.4th 1137, 1140. To show liability, an employee will only need to show that he or she was required to use their personal cellphone for work-related purposes and not reimbursed for the use. *Id.* 1144-1145

California law also requires employers to reimburse employees for automobile expenses incurred for the business use of personal vehicles, such as for mileage, gas, and the wear and tear on the vehicle. *See Gattuso v. Harte-Hanks Shoppers, Inc.* (2007) 42 Cal.4th 554.

Further, “any contract or agreement, express or implied, made by any employee to waive the benefits of this article or any part thereof, is null and void, and this article shall not deprive any employee or his personal representative of any right or remedy to which he is entitled to under the laws of this State.” *See* Cal. Lab. Code § 2804.

Based on information and belief, PLAINTIFF and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES were improperly required to provide and maintain work tools that are supposed to be the responsibility of the employer.

Based on information and belief, DEFENDANTS shifted the costs of doing business onto NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES by requiring them to pay for their business expenses including but not limited to, uniforms/work clothing/work shoes/personal protective/safety gear and the use of NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES’ personal cell phones/mobile devices, internet and/or data usage for work-related purposes, including but not limited to, to receive and respond to work-related messages and/or phone calls.

For example, based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES were required to receive and respond to work-related calls and/or messages from supervisors and/or other NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES regarding scheduling and/or other work tasks but were not reimbursed by DEFENDANTS at all and/or in full for these business expenses.

For example, PLAINTIFF was required to use his personal cell phone / mobile device for work, including but not limited to, for responding to off-the-clock work-related calls and/or messages from PLAINTIFF’s manager(s), without being provided any and/or full reimbursement from DEFENDANTS for the business expenses PLAINTIFF incurred in connection with being required to use his personal cell phone/mobile device for work.

Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT

AGGRIEVED EMPLOYEES were not reimbursed for the cost of purchasing and/or maintaining their own hand tools and/or equipment required to perform their assigned job duties and/or for the costs of purchasing and/or maintaining work uniforms/clothing/shoes and/or protective gear (e.g., gloves and/or face masks).

For example, PLAINTIFF was required to purchase his own steel toe boots and/or protective eyewear and/or gloves and/or sunscreen and/or water and/or hearing protection and/or other uniforms and/or work clothing and/or work shoes/boots and/or protective and/or safety gear and/or hand tools and/or work equipment required to carry out his assigned job duties, however, DEFENDANTS did not reimburse PLAINTIFF at all and/or in full for the business expenses PLAINTIFF incurred in connection with the purchase and/or maintenance of DEFENDANTS' required uniforms and/or work clothing and/or work shoes/boots and/or protective and/or safety gear and/or hand tools and/or work equipment.

Based on information and belief, at times, NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES were not reimbursed for the business use of their personal vehicles, including mileage, wear and tear and/or cost of fuel when they were required to drive around and/or between job sites, and/or otherwise use their personal vehicles in carrying out the duties assigned by DEFENDANTS. As such, DEFENDANTS failed to compensate NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES at the legally mandated Internal Revenue Service (IRS) per mile compensation rates in effect during the relevant period.

As explained above, based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES were not reimbursed for the cost of using their personal phone for work-related purposes and/or the cost of purchasing and/or maintaining work uniforms/work clothing/work shoes, personal protective/safety gear and/or hand tools and/or other work equipment required to carry out their assigned job duties.

Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES were improperly required to pay for business expenses that are supposed to be the responsibility of DEFENDANTS.

As a pattern and practice, DEFENDANTS regularly failed to reimburse and indemnify NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES for business expenses. Pursuant to California Labor Code section 2802, PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES were entitled to be reimbursed for all reasonable expenses associated with carrying out DEFENDANTS' orders and/or carrying out the duties assigned by DEFENDANTS.

As described herein, DEFENDANTS regularly failed to reimburse and indemnify PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES for all reasonable expenses associated with carrying out their job duties. DEFENDANTS' failure to provide PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES with full reimbursement for all reasonable expenses associated with carrying out their duties required that PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES

and EXEMPT AGGRIEVED EMPLOYEES subsidize and/or carry the burden of business expenses in violation of Labor Code section 2802.

Unlawful Agreements/ Unlawful Criminal History Inquiries:

Unlawful Agreements

Labor Code section 432.5 provides that “no employer...shall require any employee or applicant for employment to agree, in writing, to any term or condition which is known by such employer...to be prohibited by law.” Based on information and belief, DEFENDANTS required PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to agree in writing to unlawful conditions of employment including but not limited to unlawful criminal and/or financial checks as a condition of obtaining and/or continuing employment in violation of Labor Code section 432.5.

Labor Code section 432.6(a), provides that “a person shall not, as a condition of employment, continued employment, or the receipt of any employment-related benefit, require any applicant for employment or any employee to waive any right...”Based on information and belief, DEFENDANTS required NON-EXEMPT AGGRIEVED EMPLOYEES to sign meal period waivers that were universally signed as a condition of employment, including but not limited to, during the onboarding process. By requiring NON-EXEMPT AGGRIEVED EMPLOYEES to sign unlawful meal period waivers as a condition of obtaining and/or maintaining employment, DEFENDANTS violated Labor Code section 432.5. Further, these invalid waivers are otherwise unlawful under Labor Code section 432.6.

Moreover, the California Labor Code places certain procedural and substantive limit on employers’ ability to conduct employee background checks and on how employers can use the information they obtain through those background checks. Labor Code section 1024.5 states that employers, except for financial institutions, may order a credit check only if the individual works (or is applying to work) in certain positions (e.g., managerial positions, financially-related positions, and certain government positions). Additionally, the Investigative Consumer Reporting Agencies Act (ICRAA- CA Civil Code section 1786, *et seq.*) and the Fair Credit Reporting Act (FCRA - 15 U.S.C. section 1681, *et seq.*) mandate several requirements prior to and following an employee background check, including but not limited to identifying an appropriate reason for the background check, a separate consent form with required disclosures and certain formatting requirements, additional forms such as a summary of rights, a way by which to request a copy of the report, as well as proper notice of adverse actions taken, among other statutory requirements.

Based on information and belief, DEFENDANTS ordered unlawful financial credit checks on NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES, in violation of Labor Code section 1024.5, and required NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to provide ongoing written consent to the unlawful credit checks as a condition of employment, in violation of California and Federal law, which results in a further violation of Labor Code section 432.5.

Based on information and belief, DEFENDANTS also required NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to submit and/or agree to submit in

writing to unlawful criminal background checks as a condition of obtaining and/or holding employment in violation of the ICRAA and the FCRA.

Based on information and belief, DEFENDANTS required NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to agree in writing to a background check which failed to abide by the requirements set forth in CA Civil Code section 1786, *et seq.* and 15 U.S.C. section 1681, *et seq.*, including but not limited to by failing to provide a clear and conspicuous disclosure (and/or failing to provide any disclosure at all), failing to provide disclosures free of extraneous information, failing to provide a lawful purpose for the background check, failing to provide a summary of rights under the ICRAA and/or the FCRA, failing to provide a way by which the individual could request a copy of the report, failing to disclose the name, address, and telephone number of the third party preparing the report, and failing to properly obtain authorization or consent to such a background check, and thus was an unlawful background check.

By requiring NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to agree in writing to unlawful criminal and/or financial checks not in conformance with the applicable laws, DEFENDANTS violated Labor Code section 432.5.

Based on information and belief, DEFENDANTS also required NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to agree in writing to provide ongoing consent to DEFENDANTS to conduct background checks throughout the duration of employment, in violation of the ICRAA and/or FCRA and/or other applicable laws, resulting in a further violation of Labor Code section 432.5, by requiring applicants and employees to agree to an unlawful provision as a condition of employment.

Based on further information and belief, DEFENDANTS knew that requiring NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to agree to unlawful criminal and/or financial background checks as a condition of obtaining and/or holding employment was unlawful.

By requiring NON-EXEMPT AGGRIEVED EMPLOYEES, and EXEMPT AGGRIEVED EMPLOYEES agree in writing to unlawful provisions as a condition of employment, DEFENDANTS violated Labor Code section 432.5.

Unlawful Inquires into Criminal History

Labor Code section 432.7 prohibits an employer from asking applicants about past arrest(s) unless they resulted in conviction(s) and even then, certain limitations apply. Based on information and belief, DEFENDANTS asked NON-EXEMPT AGGRIEVED EMPLOYEES, and EXEMPT AGGRIEVED EMPLOYEES about arrests not resulting in convictions on their employment application, in violation of California law.

Upon information and belief, DEFENDANTS, in violation of California law, including but not limited to the Fair Chance Act/the California Fair Employment and Housing Act ("FEHA"), asked NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES about convictions prior to extending an offer of employment and/or otherwise impermissibly inquired into criminal history on their employment application in violation of California law.

By asking about arrests not resulting in convictions, DEFENDANTS violated Labor Code section 432.7. By asking about convictions at the application phase or prior to extending an employment offer, DEFENDANTS violated California's Fair Chance Act, and thereby violated Labor Code section 432.5 by unlawfully requiring NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to agree in writing to disclose arrests and/or convictions as a condition of employment.

Unlawful PAGA Waiver

Additionally, DEFENDANTS violated Labor Code section 432.5 by requiring NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to agree in writing to other unlawful agreements, including but not limited to, an unlawful waiver of PAGA and or representative actions as a condition of employment.

An action pursuant to PAGA "...is a representative action on behalf of the state" *Kim v Reins Int'l California, Inc.*, (2020) 9 Cal. 5th 73, 86-87. It is well settled that agreements purporting to waive an employee's right to a trial of PAGA claims is contrary to California law and unenforceable. *See Iskanian v CLS Transportation Los Angeles, LLC* (2014) 59 Cal. 4th 348, 384 ("We conclude that where, as here, an employment agreement compels the waiver of representative claims under the PAGA, it is contrary to public policy and unenforceable as a matter of state law.")

Moreover, the California Supreme Court has ruled that a court cannot compel arbitration of an aggrieved employee's individual PAGA claim because there is no such thing as an individual PAGA claim. *Kim v Reins Int'l California, Inc.*, (2020) 9 Cal. 5th 73, 86-87 ("There is no individual component to a PAGA action because 'every PAGA action ... is a representative action on behalf of the state.'")

Upon information and belief, DEFENDANTS required NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to agree in writing to waive their right to a trial of PAGA claims in violation of California law. By requiring NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to agree, in writing, to an unlawful PAGA waiver, DEFENDANTS required written agreement to an unlawful provision as a condition of employment which is a violation of labor code section 432.5.

As such, PLAINTIFF, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES continue to be subject to various unlawful provisions as a condition of employment.

Conclusion

DEFENDANTS have violated the above-referenced California Labor Code provisions, the applicable IWC Wage Order, including but not limited to all applicable Wage Orders, as well as other laws, and is liable for all applicable premium wages, statutory and civil penalties, interest, attorneys' fees, and costs. The civil penalties PLAINTIFF and other NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES seek to recover include, but are not limited to, the statutory and civil penalties specified above.

Labor Code § 2699.3 requires that a claimant send a certified letter (i.e. this NOTICE) to the employer in question and file an online claim to the LWDA setting forth the claims and the basis for the claims, thereby giving the LWDA an opportunity to investigate the claims and/or take any action it deems appropriate.

The purpose of this NOTICE is to satisfy the requirements created by Labor Code §§ 2699, 2699.3(a), 2699.3(b), 2699.3(c), and 2699.5, prior to seeking penalties and premium wages allowed by law for the aforementioned statutory violations in a civil action. We look forward to determining whether the LWDA intends to take any action in reference to these claims. We kindly ask that you respond to this NOTICE according to the time frame contemplated by the code.

If the LWDA elects not to take any action with respect to any of the foregoing claims, PLAINTIFF will seek these penalties in a civil action, on behalf of PLAINTIFF and all NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES of DEFENDANTS within one year of the date of this letter as allowed by law.

Please advise if your office intends to investigate any of the factual and legal allegations and provide notice within sixty-five days of the date of this NOTICE to our office and to that of other charged parties. Thank you for your attention to this matter. If you have any questions, please contact me at the phone number or address below:

Kiara Bramasco, Esq.
Crosner Legal, PC
9440 Santa Monica Blvd., Ste. 301
Beverly Hills, CA 90210
Main: 866.276.7637
Fax: 310.510.6429
Email: kiara@crosnerlegal.com

Thank you for your attention to this matter.

Best Regards,

A handwritten signature in black ink, appearing to read "Kiara Bramasco", written in a cursive style.

Kiara Bramasco, Esq.
CROSNER LEGAL, PC



Manny Martinez <manny@crosnerlegal.com>

Thank you for submission of your PAGA Case.

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

Mon, Jan 29, 2024 at 4:13 PM

1/29/2024

LWDA Case No. LWDA-CM-1007976-24
Law Firm : Crosner Legal, PC
Plaintiff Name : Bryan Ragone
Employer: U.S. Aviation Services Corp.
Filing Fee : \$75.00
IFP Claimed : No

Item submitted: Initial PAGA Notice

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

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

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

EXHIBIT

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Manny Martinez <manny@crosnerlegal.com>

Thank you for your Court Complaint Submission.

1 message

DIR PAGA Unit <lwdadonotreply@dir.ca.gov>
To: prelit@crosnerlegal.com

Wed, Apr 17, 2024 at 2:40 PM

04/17/2024 02:39:56 PM

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

Item submitted: Court Complaint

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

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

EXHIBIT

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