D.LAW, INC.
Roman Shkodnik (SBN 285152)
Amanda Fazio (SBN 346350)
Enoch J. Kim (SBN 261146)
Arianna N. Razi (SBN 356930)
250 N. Madison Avenue
Pasadena, CA 91101-1639
Telephone: (818) 962-6465
Facsimile: (818) 962-6469
Emails: r.shkodnik@d.law, a.fazio@d.law, e.kim@d.law, a.razi@d.law

Attorneys for Plaintiffs ANTHONY CORRALES, ANGELA DIANA PONCE, PRISCILLA ARELLANO, and NATALIE ESPARZA on behalf of themselves and others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

ANTHONY CORRALES, ANGELA DIANA PONCE, PRISCILLA ARELLANO, and NATALIE ESPARZA on behalf of themselves and others similarly situated, Plaintiff, vs. CALERES, INC. dba CALERES, a New York corporation; FAMOUS FOOTWEAR, an entity of unknown form; and DOES 1 through 50, inclusive, Defendants.	Case No. 23CV012350 CLASS ACTION Assigned for All Purposes To: Hon. Jill H. Talley Dept.: 8A **DECLARATION OF ENOCH J. KIM IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT** Date: December 11, 2026 Time: 9:00 a.m. Dept.: 8A Original Complaint Filed: November 29, 2023 First Amended Complaint Filed: Trial Date: None Set

DECLARATION OF ENOCH J. KIM

I, Enoch J. Kim, declare:

1. I am an attorney licensed and admitted to practice before all courts of the State of California and the United States District Court for the Central, Southern, Eastern, and Northern Districts of California. I am Senior Counsel at D.Law, Inc. and counsel for Plaintiffs Anthony Corrales, Angela Diana Ponce, Priscilla Arellano, and Natalie Esparza (collectively, "Plaintiffs"), on behalf of themselves and all other similarly situated employees of BG Retail, LLC dba Famous Footwear ("Defendant") (Plaintiffs and Defendant collectively referred to herein as "the Parties"). I have reviewed the Sacramento County Superior Court Complex Litigation Department Checklist for Approval of Class Action and/or PAGA Settlements and Plaintiffs' brief in support of the Motion for Preliminary Approval complies with the checklist.

2. All of the matters set forth herein are within my personal knowledge. I submit this Declaration in support of Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement ("Motion"). A true and correct copy of the Parties' Class and Representative Action Settlement Agreement and Release and Amendment to Class and Representative Action Settlement Agreement and Release (together, "Settlement Agreement" or "Settlement") is attached as **Exhibit 1** hereto, with the Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval ("Notice") attached as **Exhibit A** to the Settlement Agreement.

I. PROCEDURAL HISTORY

3. On November 28, 2023, Plaintiff Corrales sent a letter to Defendant and the Labor and Workforce Development Agency ("LWDA") to exhaust his remedies under PAGA, Labor Code § 2698, *et seq*. Attached hereto as **Exhibit 2** is Plaintiff Corrales's PAGA letter. On November 29, 2023, Plaintiff Corrales filed a class action complaint alleging causes of action against Defendant for: (1) Failure to Pay Minimum Wages; (2) Failure to Pay Wages and Overtime Under Labor Code § 510; (3) Meal Period Liability Under Labor Code § 226.7; (4) Rest Break Liability Under Labor Code § 226.7; (5) Violation of Labor Code § 226; (6) Failure to Keep Required Payroll Records Under Labor Code §§ 1174 and 1174.5; (7) Reimbursement of

Necessary Business Expenditures Under Labor Code § 2802; (8) Penalties Pursuant to Labor Code § 203; and (9) Violation of Business & Professions Code § 17200 *et seq*. (the "Action").

4. On January 8, 2024, Defendant removed this Action to the U.S. District Court for the Eastern District of California, Case No. 2:24-cv-00107-KJM-CKD (the "Corrales Federal Action").

5. On January 11, 2024, Plaintiff Ponce sent a letter to the Defendant and LWDA to exhaust her remedies under PAGA, Labor Code § 2698, *et seq*. Attached hereto as **Exhibit 3** is Plaintiff Ponce's PAGA letter. On January 12, 2024, Plaintiff Ponce filed a class action complaint alleging causes of action against Defendant for: (1) Failure to Pay Minimum Wages; (2) Failure to Pay Wages and Overtime Under Labor Code § 510; (3) Meal Period Liability Under Labor Code § 226.7; (4) Rest Break Liability Under Labor Code § 226.7; (5) Violation of Labor Code § 226; (6) Failure to Keep Required Payroll Records Under Labor Code §§ 1174 and 1174.5; (7) Reimbursement of Necessary Business Expenditures Under Labor Code § 2802; (8) Penalties Pursuant to Labor Code § 203; and (9) Violation of Business & Professions Code § 17200 et seq. ("Ponce Action").

6. On February 26, 2024, Defendant removed the Ponce Action to the U.S. District Court for the Eastern District of California, Case No. 2:24-cv-00623-KJM-AC (the "Ponce Federal Action"). On March 15, 2024, Plaintiff Corrales and Plaintiff Ponce filed a Consolidated Complaint in the Corrales Federal Action to consolidate the Corrales Federal Action and Ponce Federal Action, and to add a cause of action under PAGA ("Consolidated Action").

7. On June 12, 2024, Plaintiff Ponce and Plaintiff Arellano sent an Amended PAGA Letter to the Defendant and LWDA to exhaust their remedies under PAGA, Labor Code § 2698, *et seq*. Attached hereto as **Exhibit 4** is Plaintiff Ponce and Plaintiff Arellano's Amended PAGA Letter. On June 14, 2024, Plaintiff Corrales, Plaintiff Ponce, and Plaintiff Arellano filed a Second Consolidated Complaint in the Consolidated Action to add Plaintiff Priscilla Arellano as an additional representative. On October 6, 2025, the Consolidated Action was remanded to this Court.

8. On March 27, 2026, Plaintiff Ponce, Plaintiff Arellano, and Plaintiff Esparza sent an Amended PAGA Letter to the Defendant and LWDA to exhaust their remedies under PAGA, Labor

Code § 2698, *et seq*. Attached hereto as **Exhibit 5** is Plaintiff Ponce, Plaintiff Arellano, and Plaintiff Esparza's Amended PAGA Letter.

9. On April 27, 2026, Plaintiffs filed a First Amended Complaint which adds Plaintiff Natalie Esparza as an additional representative and redefines the scope of the Class (the "Operative Complaint").

10. Plaintiffs contend in this Action that Defendant violated California's wage and hour laws by failing to pay all wages, failing to pay all overtime wages, failing to provide all compliant meal periods and rest periods, failing to reimburse all work-related expenses, failing to provide compliant and accurate itemized wage statements, failing to keep required payroll records, failing to timely pay final wages due, and thereby also violating California Business & Professions Code sections 17200, *et seq*., and incurring penalties under PAGA.

11. On January 21, 2025, the Parties participated in a mediation presided over by respected wage and hour mediator Lou Marlin, Esq., an experienced mediator.

12. During mediation, the Parties discussed the merits of the claims, the prospects for class certification, as well as the burdens and risks of continuing with the litigation. As a result of the mediation, the Parties reached an agreement to resolve the Action in its entirety.

II. THE SETTLEMENT

13. Defendant agrees to pay the Gross Settlement Amount of $500,000.00, exclusive of the employer's portion of payroll taxes (i.e. Defendant will pay the employer-side payroll taxes on the wages portion separately from the Gross Settlement Amount). It shall be an opt-out class and there is no claim form requirement. The Settlement Agreement defines the "Settlement Class" as all current and former individuals who were employed as non-exempt employees with Defendant within the State of California as store managers, assistant store managers, sales lead, associate store managers, key holders, and managers in training, at any time during the period from December 1, 2022 to April 21, 2025. (Exhibit 1, Settlement Agreement, ¶¶ 1.5, 1.7.) The Settlement Agreement also defines "Aggrieved Employees" as all current and former individuals who were employed as non-exempt employees within the State of California as store managers, assistant store managers, sales leads, associate store managers,

key holders, and managers in training, at any time during the period from January 9, 2023 to April 21, 2025. (*Id.* at ¶¶ 1.24, 1.27.)

14. Each Participating Class Member will receive a share of the Net Settlement Amount based on the number of Workweeks worked by each individual Participating Class Member during the Class Settlement Period. (Exhibit 1, Settlement Agreement, ¶ 6.3.) There are approximately 47,758 Workweeks in the Class Settlement Period, resulting in a recovery of an estimated $4.44 per Workweek.[1] Each Settlement Class Member will receive an average Individual Settlement Payment of approximately **$257.08** (estimated Net Settlement Amount of $211,833.33 divided by 824 Settlement Class Members), with the highest estimated Individual Settlement Payment of approximately **$550.56** (total weeks in the Class Settlement Period (124) multiplied by $4.44).[2] Additional proposed disbursements are as follows:

Class Counsel Award	$166,666.67 (1/3 of Gross Settlement Amount), subject to Court approval
Class Counsel Award	Up to $25,000.00, verified by Class Counsel and approved by the Court
Settlement Administrator Costs	Not to exceed $16,500.00
Class Representative Service Award	$5,000.00 to each Plaintiff (for a total of $20,000.00)
General Release Settlement Payment	$5,000.00 to each Plaintiff (for a total of $20,000.00)
PAGA Payment	$40,000.00 ($30,000.00 to LWDA; $10,000.00 to Aggrieved Employees)

15. As detailed in the Settlement Agreement, the Parties have selected Apex Class Action, LLC (the "Settlement Administrator"), an experienced class action settlement administrator, to administer this Settlement. Following preliminary approval, the Settlement

[1] As stated in the declaration of William Argueta filed concurrently herewith, Defendant submitted the Class Data to Apex prior to the filing of this Motion, and Apex confirmed the total Workweek count during the Data Period (December 1, 2022 to January 21, 2025) is 47,758, therefore the escalator clause has not been triggered pursuant to Paragraph 1.20 of the Settlement Agreement. Thus, the Gross Settlement Amount remains $500,000.00 and the Class and PAGA Settlement Period end dates remain April 21, 2025.

[2] Based on the Class Data, Apex confirmed there are 824 Settlement Class Members.

Administrator will mail the Notice per the Settlement Agreement. The Parties respectfully request that this Court approve the Notice to be disseminated to the Settlement Class consistent with the manner and timing as set forth in this Memorandum and the Settlement Agreement.

16. The Parties have agreed on Apex Class Action, LLC ("Apex") as the Settlement Administrator and respectfully request that this Court appoint Apex to handle the Notice and claims administration procedures, including posting the Judgment on its website. To my knowledge, none of the parties or attorneys involved in this action has ever had any financial interest in or affiliation with the proposed Settlement Administrator.

17. As such, the Parties respectfully request that this Court appoint the proposed Settlement Administrator to handle the notice and claims administration procedures, including posting the Judgment on its website.

III. SETTLEMENT DOCUMENTS

18. The Parties have finalized the terms of the following documents, true and correct copies of which are attached hereto:

a. Class and Representative Action Settlement Agreement and Release and Amendment to Class and Representative Action Settlement Agreement and Release attached hereto as **Exhibit 1**;

b. Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval attached to the Settlement Agreement (Exhibit 1 herein) as Exhibit A (which will be translated into Spanish once approved by the Court); and

c. [Proposed] Order Granting Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement filed concurrently with this motion.

19. Attached hereto as **Exhibit 6** is true and correct copy of the Declaration of Kimberly Sutherland on behalf of Apex Class Action, LLC. Attached hereto as **Exhibit 7** is true and correct copy of the Declaration of William Argueta on behalf of Apex Class Action, LLC. Attached hereto as **Exhibit 8** is a true and correct copy of the confirmation of submission of the PAGA settlement to the LWDA.

IV. CONDITIONAL CERTIFICATION OF THE SETTLEMENT CLASS FOR SETTLEMENT PURPOSES

20. The Settlement Class definition is sufficiently specific to enable potential Settlement Class Members and the Court to identify the Settlement Class Members, all of whom have indeed been identified by Defendant's employment and payroll records. There are approximately 824 Settlement Class Members, which is sufficient to satisfy numerosity requirement.

21. Here, Plaintiffs worked for Defendant as non-exempt employees under Defendant's uniform employment policies applicable to all Settlement Class Members. Plaintiffs assert that these are all policy questions that are uniform and can be proven by common objective evidence. Plaintiffs contend that the evidence to support these claims on a class wide basis includes Defendant's policies, payroll records, time records and the forms of wage statements given to Defendant's non-exempt employees.

22. Plaintiffs' claims are typical of those of other Settlement Class Members. The Class Representatives have agreed to act as such and understand their responsibilities. The Class Representatives have no claims or other interests that are antagonistic to the Settlement Class.

V. PRELIMINARY APPROVAL OF THE SETTLEMENT

23. The Settlement for each Participating Class Member is fair, reasonable, and adequate given the inherent risk of litigation, the risk relative to trial, and the costs of litigation. The Settlement represents a fair and reasonable value of all claims. There is no claim form required so all Class Members will be paid unless they opt out, and there is no reversion to Defendant. Finally, the only governmental involvement in this case is the existence of a PAGA claim, and Plaintiffs have notified the LWDA of this Settlement. (Ex. 8.) The Gross Settlement Amount balanced against the merits of Plaintiffs' case is reasonable.

24. Here, the Settlement was reached through arm's-length negotiation with an experienced, highly regarded neutral mediator, Lou Marlin, Esq. Before mediation, the Parties engaged in informal discovery. To prepare for the mediation, Defendant provided extensive

documentation of its policies and practices and data related to the claims asserted in this case, including pay and time data for approximately 408 Settlement Class Members and other information necessary for Plaintiffs to create a damages exposure analysis. Plaintiffs hired an expert to prepare damage calculations and an exposure analysis for the mediation based on the data provided. The Parties agreed on the proposed Settlement at the conclusion of the mediation after extensive negotiations.

25. The Settlement here provides pro rata distribution to Settlement Class Members based upon the number of Workweeks. Accordingly, the Settlement treats the Settlement Class Members equitably, and the proposed distribution plan supports preliminary approval.

26. The Settlement is the product of tremendous effort and a great deal of expense by the Parties and their Counsel. Class Counsel are knowledgeable about and have done extensive research with respect to the applicable law and potential defenses to the claims of the Settlement Class Members. The Parties investigated relevant law as applied to the facts of the case, potential defenses, and damages claimed by Plaintiffs on behalf of themselves, the Settlement Class, and the Aggrieved Employees.

27. Based on the documents and information provided by Defendant and their own investigation and evaluation, Class Counsel and Plaintiffs believe the Settlement is fair, reasonable, and adequate, and is in the best interest of the Settlement Class Members in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation, various defenses asserted by Defendant, and numerous potential appellate issues.

28. The Gross Settlement Amount is, of course, a compromise figure. Plaintiffs considered the risks of decertification, the risks related to proof of Plaintiffs' claims, and the strengths and weaknesses of Defendant's defenses. Plaintiffs also considered the possibility that if a settlement were reached after additional years of litigation, the great expenses of litigation would reduce the amount of funds available to class members for settlement. Furthermore, Plaintiffs took into consideration the time delay and financial repercussions of liability trials, numerous damages trials, and the possibility of an appeal by Defendant. The details for the

reasonably expected recovery per claim are detailed below in the following paragraphs.

29. **Failure to Pay All Wages Due to Off-the-Clock Work:**

a. Facts

Plaintiffs allege that they and Settlement Class Members were required to perform work while under Defendant's control for which they were not compensated. For example, Plaintiffs allege that Plaintiffs and Settlement Class Members frequently had to unlock doors, disarm the alarm which would actively beep until disarmed, and open the vault prior to clocking in. Further, Plaintiffs allege that Plaintiffs and Settlement Class Members often had to wait in line to clock in for their shifts, had to undergo bag checks off the clock, and had to undergo COVID-related checks consisting of an online questionnaire prior to clocking in for every shift. Additionally, Plaintiffs allege that Plaintiffs and Settlement Class Members were required to clean the store at the end of the day after clocking out.

b. Law

Labor Code §§ 510 and 1194 require employers to pay applicable wages for all hours worked. "Hours worked' means the time during which an employee is subject to the control of an employer and includes all the time during which the employee is suffered or permitted to work, whether or not required to do so." (8 C.C.R. §11040(2)(K); *Morillion v. Royal Packing Co.* (2000) 22 Cal.4th 575, 582.)

c. Expected Recovery

Plaintiffs' expert estimated the maximum exposure of the unpaid wages claim to be $1,535,570.00 (assuming twenty (20) minutes of unpaid time per shift and 22.9% attributed to overtime hours). Defendant contends that it instructed Settlement Class Members to record all hours worked, that it paid Settlement Class Members for all reported hours worked, that any off-the-work was performed without Defendant's knowledge and was de minimis, and that it paid wages to Settlement Class Members at the proper rates. Additionally, proof of this claim would depend largely on anecdotal evidence as there are not records of time worked off-the-clock, and ultimately this claim may be determined to be too individualized for purposes of class certification. As such, Plaintiffs applied a discount of 90% to get a realistic exposure for

this claim of approximately **$153,557.00** based on these risks.

30. **Failure to Provide All Meal Periods:**

a. Facts

Plaintiffs allege that Defendant failed to always provide legally compliant meal breaks to Plaintiffs and other Settlement Class Members. Plaintiffs allege that Plaintiffs and Settlement Class Members had to miss meal breaks or take them late if there was no coverage, had meal breaks interrupted by having to respond to requests on their walkie talkies or because management would instruct them to watch security footage while eating, and would have to undergo a bag check after clocking out for a meal break if they wanted to leave the premises during their meal break.

b. Law

For each meal period missed, of less than 30 minutes, or taken late for which the employee was not provided a reasonable opportunity to take a complete and timely meal period, an employer must pay the employee an additional one hour of compensation. Labor Code § 226.7. This additional hour of compensation is referred to as "premium pay." To comply with these laws, every employer must keep, for each employee, accurate time records showing when the employee begins and ends each work period and takes his or her meal periods. See Wage Order 4-2001(7)(A)(3).

c. Expected Recovery

Defendant argues that its meal period policies comply with California law. Defendant further contends that Settlement Class Members were authorized, permitted, and never denied the opportunity to take their meal periods, and that any deviations from their scheduled meal breaks were at the voluntary election of Settlement Class Members. Defendant further contends that the meal break claim requires individualized inquiries, which would preclude class certification. If Defendant's contentions are proven true and prevail in trial, the likely outcome would be no recovery for the Settlement Class Members on the meal break claim.

Plaintiffs' expert estimated Defendant's maximum exposure on the meal period claim at approximately $141,324.00 (based on late, missed, or short meal breaks for shifts greater than 5

hours). However, given Defendant's contentions, Class Counsel applied a 90% discount, making for an adjusted realistic exposure of **$14,132.40** for Defendant.

31. **Failure to Authorize and Permit All Rest Periods:**

a. Facts

Plaintiffs allege that Defendant failed to authorize and permit all paid rest periods for Plaintiffs and other Settlement Class Members. Plaintiffs allege that Plaintiffs and Settlement Class Members often had to miss rest breaks due to a lack of coverage. Plaintiffs also allege that Defendant did not pay any rest period premiums for missed rest breaks.

b. Law

"Employees are entitled to 10 minutes' rest for shifts from three and one-half to six hours in length, 20 minutes for shifts of more than six hours up to 10 hours, 30 minutes for shifts of more than 10 hours up to 14 hours, and so on." (*Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1029.) The applicable wage order imposes a similar obligation, and states that rest breaks must occur in the middle of each work period, insofar as is practicable. (8 C.C.R. § 11040(12).)

c. Expected Recovery

Defendant argues that its rest break policies comply with California law. Defendant maintains that it authorized and permitted Settlement Class Members to take duty-free rest breaks of at least ten minutes for every four hours worked or major fraction thereof. Defendant contends that there are no restrictions, in policy or practice, on where employees can go and what they can do during their rest breaks. Considering that, unlike meal periods, rest breaks need not be recorded, these violations would likely be difficult to prove at trial and potentially depress the damages ultimately awarded. Therefore, Class Counsel applied significant and appropriate discounts to the rest break claim.

Plaintiffs' expert estimated Defendant's maximum liability exposure on the rest break period claim at approximately $3,987,964.00 using a 100% rest break violation rate. However, given Defendant's contentions and considering a more realistic violation rate for the Settlement Class as well as the potential hurdles facing certification of rest break claims, Class Counsel

applied a 95% discount making for an adjusted realistic exposure of **$199,398.20** for Defendant. Owing to the arguments above and the fact that the recording of rest periods is not required, this claim was substantially discounted and was not a major driver of exposure in this case.

32. **Failure to Fully Reimburse All Work-Related Business Expenses:**

a. Facts

Plaintiffs allege that Plaintiffs and Settlement Class Members incurred expenses while performing reasonable and necessary work-related duties. Plaintiffs allege that Plaintiffs and Settlement Class Members used their cellular phones to conduct work-related activities for which they were not reimbursed, including communicating with management and coworkers about schedules and work assignments. Further, Plaintiffs allege that Plaintiffs and Settlement Class Members would drive to different locations at the behest of upper management without receiving reimbursement for the miles driven.

b. Law

Labor Code § 2802 states that "[a]n employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties." This section "is designed to prevent employers from passing their operating expenses on to their employees." (*Gattuso v. Harte-Hanks Shoppers, Inc.* (2007) 42 Cal.4th 554, 562.)

c. Expected Recovery

Defendant maintains that Plaintiffs and Settlement Class Members did not incur business expenses and/or were properly reimbursed for all business expenses and further contend that any unreimbursed business expenses were not necessary expenditures as required by Labor Code section 2802. Defendant also maintains that individualized issues relating to this claim would preclude class certification.

Plaintiffs' expert estimated the maximum exposure for this claim at approximately $321,240.00 (assuming $10.00 per Workweek for unreimbursed business expenses). Plaintiffs considered risks associated with this claim, such as the need to rely on anecdotal evidence from

Settlement Class Members and the potential for individualized issues arising at the class certification stage. As such, Class Counsel applied a discount of 90% to get a realistic exposure for this claim equal to **$32,124.00** based on these risks.

33. **Failure To Provide Compliant Wage Statements:**

a. Facts

Plaintiffs allege Defendant issued wage statements to Plaintiffs and the Settlement Class Members that failed to include the total hours per pay period and failed to accurately account for all off-the-clock work and missed meal and rest premiums which Defendant knew or reasonably should have known were owed to Plaintiffs and Settlement Class Members.

b. Law

Labor Code § 226(a) requires every employer, semimonthly or at the time of each payment of wages, to furnish each of its employees an accurate itemized statement in writing showing, among other things, total hours worked by the employee, all applicable hourly rates in effect during each pay period and the corresponding number of hours worked at each hourly rate.

c. Expected Recovery

Defendant challenged Plaintiffs' claim for Labor Code § 226(e) penalties, including by arguing they were merely derivative of the other claims that lacked merit, and Plaintiffs' failure to prove the underlying claims could result in the dismissal of these derivative claims. Defendant also argued that it did not knowingly and intentionally commit these alleged violations. *See, e.g.,* Labor Code § 226(e) (recovery of penalties requires showing there was "a knowing and intentional failure by an employer").

Plaintiffs' expert estimated Defendant's maximum total exposure on the section 226 claim at approximately $3,111,600.00 (1,628 employees from December 1, 2022 to January 21, 2025 with a $4,000.00 per employee maximum). After considering Defendant's contentions and the potential class certification issues, Class Counsel discounted this amount by 95% to get an adjusted realistic exposure of **$155,580.00**.

34. **Failure to Pay all Wages Due Upon Separation – Labor Code § 203**:

a. Facts

In allegedly failing to pay Class Members their minimum wages, overtime wages, and premium pay for deficiently provided meal periods and rest breaks, all discussed above, Plaintiffs allege that Defendant willfully failed to pay Class Members all wages due and certain at the time of termination or within seventy-two (72) hours of resignation, as required under Labor Code § 203.

b. Law

Section 203 further provides that if an employer willfully fails to pay an employee all wages due at termination or within 72 hours of resignation, then that employee's wages will continue as a penalty until paid for a period of up to 30 days from the date they were due. Under Labor Code § 203, the approximately 1,027 Settlement Class Members who are no longer employed by Defendant are entitled to 30 days of waiting time penalties because Defendant did not pay them all wages due and/or related penalties upon separation.

c. Expected Recovery

Defendant challenged this claim under Labor Code § 203 with several arguments, including that this claim is merely derivative of the other claims that lacked merit and that under Labor Code § 203, employers are only obligated to pay waiting-time penalties if they "willfully" fail to pay wages due and owing at the time of termination or resignation. As Title 8, California Code of Regulations, § 13520 states: "A willful failure to pay wages within the meaning of Labor Code Section 203 occurs when an employer intentionally fails to pay wages to an employee when those wages are due. However, a good faith dispute that any wages are due will preclude imposition of waiting time penalties under Section 203." Defendant argued that their good faith disputes and lack of willfulness would excuse its violations. Defendant maintained that because they had viable defenses in both law and fact, such penalties were subject to a three-year limitations period under Labor Code § 203(b).

Plaintiffs' expert estimated Defendant's maximum total exposure on the section 203 claim at approximately $3,504,349.00 (assuming 1,027 terminated employees during the relevant period and 30 days per employee and 5.9 hours per workday). Given the foregoing

arguments, Class Counsel discounted this amount by 95% to get an adjusted realistic exposure of **$175,217.45**.

35. Regarding the claim for violations of Business & Professions Code section 17200, *et. seq*., the forgoing analysis assumes the longer four-year statute of limitations that is available under the UCL for the unpaid wage and break violations. This cause of action is derivative of the other claims that have already been analyzed. Accordingly, the damages available under this cause of action have already been analyzed or are duplicative of damages discussed above.

36. The Labor Code Private Attorneys General Act, Labor Code § 2698 *et seq*., allows Plaintiffs to obtain civil penalties on behalf of themselves and other aggrieved employees for Defendant's violation of any provision of the Labor Code enumerated under Labor Code § 2699.5. Where civil penalties are provided in the statute, those civil penalties are recoverable; where no civil penalties are recoverable, Labor Code § 2699(f) establishes civil penalties of one hundred dollars ($100) for each aggrieved employee per pay period for the initial violation and two hundred dollars ($200) for each aggrieved employee per pay period for each subsequent violation. Pursuant to Labor Code § 2699(i), seventy-five percent (75%) of the penalties recovered must be allocated to the Labor and Workforce Development Agency (LWDA), with the remaining twenty-five percent (25%) allocated to the affected employees. The limitations period for all penalties is one year prior to the filing of the complaint.

37. The provisions of the Labor Code potentially triggering PAGA penalties in this case include, but are not limited to, Labor Code §§ 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.4, 226.7, 510, 512, 551, 552, 556, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq*, and 2802. PAGA penalties are not mandatory and are instead permissive. Labor Code § 2699(e)(2) states that "a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." *See Thurman v. Bayshore* (2012) 203 Cal. App. 4th 1112 (substantially reducing PAGA penalties by 30% under this provision); see also

Carrington v. Starbucks Corp., 30 Cal. App. 5th 504, 529 (2018) (affirming penalty reduction of 90% for practice that resulted in meal periods occasionally starting minutes after the fifth hour of work); *Sanchez v. McDonald's Corp.* (2017), LASC Case No. No. BC 499888 (98% reduction from $41 million to $775,000); *Ghrdilyan v. RJ Financial* (2012), LASC Case No. BC430633 (94% reduction from $5.4 million to $325,000); *Fleming v. Covidien*, Inc. (2011), USDC Case No. ED CV 10-01487-RGK (OPx) (87% reduction from $2.8 million to $375,000).

38. PAGA penalties are also derivative of each and every other claim, and Defendant argued the PAGA claims would be subject to the same defenses as the underlying claims, as well as additional equitable defenses, including substantial compliance. Finally, under *Amaral v. Cintas Corp.* (2008) 163 Cal.App.4th 1157, Defendant asserted that penalties under PAGA could, at best, be awarded only at the rates obtainable for initial violations under the applicable statutes, because Defendant had never been notified of the alleged violations. *Id.* at 1208-1209.

39. Plaintiffs estimated Defendant's total exposure on the PAGA claim at approximately **$3,093,000.00** (30,930 PAGA Pay Periods x $100). However, Class Counsel also estimated any PAGA recovery would be substantially reduced and applied discounts in light of the countervailing arguments with regard to the other causes of action and the Court's power to award "a lesser amount than the maximum civil liability." Class Counsel applied a discount of 95% to get an adjusted realistic exposure of $154,650.00.

40. Class Counsel applied reasonable and justified discounts, considering the facts and legal contexts outlined above. These substantial discounts were necessary in light of Defendant's contentions and denial of liability. This Settlement, like most others, was the product of compromise. As addressed above, Plaintiffs estimated that Defendant faced approximately $884,659.05 in total realistic exposure on Plaintiffs' main claims. The Gross Settlement Amount of $500,000.00, therefore, represents a recovery for the Settlement Class Members of approximately 56.52% of the total realistic exposure Plaintiffs estimated Defendant could face on these class-wide claims. Class Counsel submits that this is an optimal

result for the Class in light of all of the factors described above.

41. After analyzing and weighing the evidence discussed above as well as the legal issues, Class Counsel and Plaintiffs concluded that the settlement of $500,000.00 represents a fair and reasonable discount from the realistic recovery. The Settlement will allow the parties to avoid the expense and time commitments of continued litigation and provides a significant benefit for the Settlement Class which would not otherwise have been available. The Gross Settlement Amount of $500,000.00 is a fair, reasonable, and adequate settlement for the claims at issue.

VI. THE NOTICE PROCEDURE SHOULD BE APPROVED.

42. The Notice provides proper notice to the Settlement Class of the terms of the Settlement Agreement and the options available to the Settlement Class, including the ability of the Settlement Class Members to opt out or submit a Request for Exclusion from the Class Settlement and not be bound by the Class Settlement or receive any Individual Settlement Payment under it; to object to the terms of the Settlement; or to do nothing and receive an Individual Settlement Payment and be bound by the terms of the Settlement; the date of the Final Approval Hearing, and how to obtain further information through Class Counsel, the Settlement Administrator's website, or the Court's docket. The Notice will be sent via first-class mail to each of the 824 Settlement Class Members at their addresses from Defendant's records.

43. Settlement Class Members will receive separate checks for the class portion and PAGA portion, respectively.

44. The Notice should be approved as the best and most practicable way to ensure the greatest possible number of Settlement Class Members will receive notice. Plaintiffs respectfully request that this Court approve the Notice to be disseminated to the Settlement Class consistent with the manner and timing as set forth in this Memorandum and the Parties' Settlement Agreement.

VII. ATTORNEYS' EXPERIENCE

45. D.Law (formerly known as Davtyan Law Firm) prosecutes wage and hour cases,

including class actions and PAGA actions on behalf of employees and others who have had their rights violated. D.Law, either on its own or with co-counsel, is currently serving as plaintiffs' counsel of record in numerous wage and hour and employment class action and PAGA action cases pending in both state and federal court.

46. D.Law is well-qualified and has ample experience, knowledge, and resources to act as counsel and represent Plaintiff and the putative Class and aggrieved employees in this action. Our practice is exclusively focused on employment matters and representing plaintiffs in wage and hour actions with the same or similar causes of actions brought forth in the matter pending before this Court.

47. D.Law has litigated and successfully resolved many wage and hour class action cases involving failure to pay wages and derivative Labor Code claims and penalties. See e.g. De La Rosa v. The Coca Cola Company et al. (Superior Court of California in Napa, 17CV000787), Harvey v. Bed Bath & Beyond of California Limited Liability Company (Superior Court of California in Alameda, RG17885153), Paredes v. Bottling Group LLC et. al. (Superior Court of California in Kern), Ramirez v. Harris Ranch Beef Company (Superior Court of California in Fresno, 16CECG04103), Gates v. Gate Gourmet, Inc. et. al. (Southern District of California, 16-cv-01084-L-AGS), Hargrave v. Antelope Valley Hospital (Superior Court of California in Los Angeles, BC663252), Ramirez v. Milton Roy et. al. (Superior Court of California in Los Angeles, BC 632 276), Hawkins v. AvalonBay Communities (Superior Court of California in Santa Clara, 17CV316492), Jones Tharpe et al. v. Sprint Corporation et al. (Superior Court of California in Los Angeles, BC644645), Ortega et al. v. Nestle Waters North America, Inc. et al. (Superior Court of California in Los Angeles, BC623610), Schultz v. Jimbo's Natural Family, Inc. (Superior Court of California in San Diego, 37-2017-00022348-CUE-OE-CTL), Ambrose v. Victor Valley Global et al. (Superior Court of California in San Bernardino, CIVDS1709289), Puerta-Gildardo v. Real Time Staffing Services LLC et. al. (Superior Court of California in Los Angeles, BC565445), Vargo v. Pregis Innovative Packaging LLC (Superior Court of California in Tulare, 270836), Conlin v. Aegis Senior Communities LLC (Northern District of California, 17-cv-05534-LHK), Galarza v. Kloeckner Metals Corporation (Central District of California,

2:17-cv-04910-FMO), Estes v. L3 Technologies, Inc. et al. (Southern District of California, 3:17-cv-02356-H-JMA), Rowser v. Trunk Club, Inc. (Central District of California, 2:17-cv-05064-DSF-RAO), Leach v. The Claremont Colleges, Inc. (Superior Court of California in Los Angeles, BC686451), Vaesau v. PCT Enterprises, Inc. dba Precision Cabinets (Superior Court of California, County of Contra Costa MSC18-02404), Terry v. TF Louderback, Inc. dba Bay Area Beverage Company (Superior Court of the State of California, County of Contra Costa, MSC18-00859), Roach v. Westcare California, Inc. (Superior Court of California in Kern County, BCV-17-102367-SDS), Patton v. Church & Dwight Co., Inc. (Central District of California, EDCV 18-903-MWF (KKx)), Juarez v. ISL Employees, Inc. (Superior Court of California in Madera, MCV074787), Ferraro v. USC Verdugo Hill s Hospital, et al. (Superior Court of California in Los Angeles, 18STCV09463), Ford v. Account Control Technology, Inc., et al. (Superior Court of California in Los Angeles, 19STCV09369), Ornelas v. iStorage, et al. (Superior Court of California in San Francisco, CGC-18-571421), Martinez v. Ronpak, Inc. (Superior Court of California in Riverside, RIC1901307), Barrera et al. v. Exclusive Wireless, Inc. (Superior Court of California in Stanislaus, 9000687), Barajas v. Mancha Development Company LLC (Superior Court of California in Orange County, 30-2018-00974707-CU-OE-CXC), Prado v. IMAX Corporation dba IMAC Worldwide Home (Superior Court of California in San Bernardino, CIVDS1820265), Rodriguez v. ND Industries, Inc. (Superior Court of California in Los Angeles, 19STCV38096), Singletary v. Motel 6 Operating LP, et al. (Southern District of California, 3:20-cv-0270-LAB-AHG), Quizon v. CF Watsonville East, LLC, et al. (Superior Court of California in Santa Cruz, 20CV01868), Stephenson v. Bakersfield Dodge, Inc. (Superior Court of California in Kern, BCV-20-102693), Bacerra v. Hugo Boss Retail, Inc. (Superior Court of California in San Diego, 37-2021-00002933-CU-OE-CTL), Walker v. Ariat International, Inc. (Superior Court of California in Alameda, HG19026439), Orr v. Petvet Care Centers (California) Inc. (Superior Court of California in Santa Clara, 19CV354063), Jimenez v. OEC Distribution Services, Inc. (Superior Court of California in San Bernardino, CIVDS1915743), Virdi v. Absolute Security International (Superior Court of California in San Bernardino, CIVDS 1909589), Raj v. First Transit, Inc (Superior Court of California in Sacramento, 34-2021-00295895-CU-OE-GDS),

Marchbanks v. Torrid Administration, Inc. (Superior Court of California in San Diego, 37-2020-00008179-CU-OE-NC), among others.

48. I am Senior Counsel at D.Law where I manage the class action and PAGA settlement department. I was admitted to the California Bar in December 2008. I received my J.D. from Pepperdine University School of Law and B.S. from the University of Southern California. Since graduating from law school, I have dedicated virtually my entire career on the practice of employment law. I have practiced employment law from the plaintiff's side, from the defense side, and from an in-house position. I have significant experience specifically working on wage and hour class actions from the plaintiff's side as well as the defense side, with the majority of my experience coming from the plaintiff's side.

49. The collective experience of the D.Law attorneys in litigating employment wage and hour matters has been integral in identifying legal issues, evaluating the strengths and weaknesses of a case, and generally negotiating fair and reasonable class and representative action settlements. Practice in the narrow field of wage and hour litigation requires skill and knowledge concerning the constantly evolving substantive law (state and federal), as well as the procedural law of class and representative action litigation. In this action, the attorneys at D.Law are fully equipped to use the skills and knowledge developed over decades of prosecuting and defending wage and hour class actions to fairly and adequately represent the interests of the Settlement Class Members and Aggrieved Employees. Therefore, based on our resources, experience, and knowledge, the attorneys at D.Law are well-qualified to act as Class Counsel and represent the Plaintiffs and the putative Settlement Class Members and Aggrieved Employees in this action.

50. We understand the responsibilities owed as counsel to the class members and aggrieved employees we represent. The attorneys at D.Law thoroughly investigated the claims asserted in this action and have remained committed to dedicating the resources necessary to represent the Settlement Class and vigorously pursue their claims. Based upon my experience and understanding of the claims and defenses in this action, I believe the settlement is fair, adequate, and reasonable for the Settlement Class Members and Aggrieved Employees and all involved,

and that the Settlement is well within the range of reasonableness that would permit it to be finally approved. I am not aware of any conflict of interest with Plaintiffs or any other Settlement Class Member that would interfere with the duties as Class Counsel.

VIII. THE STIPULATED AWARD OF ATTORNEYS' FEES AND COSTS

51. Under the Settlement, Class Counsel will request, without opposition from Defendant, an award of attorneys' fees and costs consisting of $166,666.67, which is one-third of the Gross Settlement Amount, and up to $25,000.00 for reasonable expenses incurred to prosecute the Action. This request is fair, reasonable, and adequate to compensate Class Counsel for the substantial work they have put into this case and, moreover, the risk they assumed by taking it in the first place. The attorneys' fees award is intended to reimburse Class Counsel for all uncompensated work that they have already done and for all the work they will continue to do in carrying out and overseeing the notification to Settlement Class Members, communicating with Settlement Class Members regarding their claims, and assisting in the administration of the settlement if it is preliminarily approved. At the time of filing the Motion for Final Approval of Settlement, Plaintiffs will submit detailed time records and invoices supporting the request for attorneys' fees and litigation costs.

IX. THE CLASS REPRESENTATIVE SERVICE AWARD AND GENERAL RELEASE SETTLEMENT PAYMENTS

52. The Settlement provides for a Class Representative Service Award of $5,000.00 to each Plaintiff (for a total of $20,000.00) and a General Release Settlement Payment of $5,000.00 to each Plaintiff (for a total of $20,000.00) for Plaintiffs' service in litigating the action. Plaintiffs have devoted a substantial amount of time to helping Class Counsel effectively develop and prosecute this action at every stage of the litigation. Plaintiffs have provided Class Counsel with information about Defendant, reviewed documents, consulted Class Counsel throughout the litigation, participated in the mediation process, and reviewed and signed the Settlement Agreement. Plaintiffs have spent a significant amount of time with Class Counsel detailing their knowledge of Defendant's practices. Plaintiffs have diligently, adequately, and fairly represented the Settlement Class Members, and have not placed their

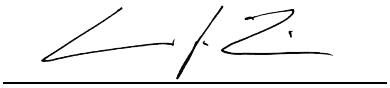
interests above any member of the putative Settlement Class. These sorts of payments to a Class Representative have been a common feature of settlements negotiated by Class Counsel and routinely approved by courts. The Class Representative Service Award of $5,000.00 to each Plaintiff (for a total of $20,000.00) and a General Release Settlement Payment of $5,000.00 to each Plaintiff (for a total of $20,000.00) are fair and reasonable.

X. THE PRESENCE OF A GOVERNMENTAL PARTICIPANT

53. On November 13, 2026, Plaintiffs submitted the Settlement Agreement and Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement and supporting documents to the LWDA. A true and correct copy of the confirmatory email from the LWDA is attached hereto as **Exhibit 8**.

I declare under penalty of perjury under the laws of the State of California and the United States of America that the foregoing is true and correct.

Executed on November 13th, 2026, at Pasadena, California.



Enoch J. Kim, Esq.

EXHIBIT 1

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

Michael J. Nader, SBN 200425
michael.nader@ogletree.com
Alexandra M. Asterlin, SBN 221286
alexandra.asterlin@ogletree.com
Paul M. Smith, SBN 306644
paul.smith@ogletree.com
OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.
400 Capitol Mall, Suite 2800
Sacramento, CA 95814
Telephone: 916-840-3150
Facsimile: 916-840-3159

Sona P. Patel, SBN 334044
sona.patel@ogletree.com
OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.
400 South Hope Street, Suite 1200
Los Angeles, CA 90071
Telephone: 213-239-9800
Facsimile: 213-239-9045

Attorneys for Defendant
BG RETAIL, LLC dba FAMOUS FOOTWEAR

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF CALIFORNIA

ANGELA DIANA PONCE and ANTHONY CORRALES, on behalf of themselves and others similarly situated,

Plaintiff,

vs.

BG RETAIL, LLC dba FAMOUS FOOTWEAR, a Delaware limited liability company and DOES 1 through 50, inclusive,

Defendants.

Case No. 2:24-cv-00107-KJM-CKD

CLASS AND REPRESENTATIVE ACTION SETTLEMENT AGREEMENT AND RELEASE

Action Filed: November 29, 2023
Trial Date: TBD

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

This Class and Representative Action Settlement Agreement and Release ("Agreement") resolves the action, *Angela Diana Ponce, Anthony Corrales, and Priscilla Arellano, on behalf of themselves and otherwise similarly situated, vs. BG Retail, LLC dba Famous Footwear*, case no. 2:24-cv-00107-KJM-CKD, currently pending in the United States District Court, Eastern District and the related actions filed in the Superior Court of the State of California, County of Sacramento, including the amended Complaint to be filed as discussed herein below, which will redefine the classes and add Natalie Esparza as a plaintiff.

This Agreement is entered into between Plaintiffs Angela Diana Ponce, Anthony Corrales, Priscilla Arellano, and Natalie Esparza ("Plaintiffs"), individually and on behalf of all others similarly situated, as well as on behalf of the State of California with respect to the Aggrieved Employees, and Defendant BG Retail, LLC dba Famous Footwear ("Defendant"). Plaintiffs and Defendant are collectively referred to herein as the "Parties."

This Agreement is intended by the Parties to fully, finally, and forever resolve, discharge and settle the "Released Claims" (as defined below) on a class and representative action basis pertaining to the "Released Parties" (as defined below) upon and subject to the terms and conditions contained herein. This Agreement, which is contingent upon final Court approval, contains the essential terms of the Parties' agreement. Plaintiffs and Class Counsel believe, and the Parties have agreed, the settlement set forth in this Agreement confers substantial benefits upon the Class Members, Aggrieved Employees, and the State of California.

1. DEFINITIONS

1.1. **"Action"** means Plaintiff Anthony Corrales' PAGA letter and lawsuit alleging wage and hour violations and civil penalties alleging violations of PAGA against Defendant, initiated on November 29, 2023 and pending in the Superior Court of the State of California, County of Sacramento, Case No. 23CV012350; Plaintiff Angela Ponce's original and amended PAGA letters and lawsuit alleging wage and hour violations and civil penalties alleging violations of PAGA against Defendant, initiated on January 12, 2024, and pending in the Superior Court of the State of California, County of Sacramento, Case No. 24CV000555; the consolidated action on behalf of Anthony Corrales, Angela Ponce, and Priscilla Arellano alleging wage and hour

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

violations and civil penalties for alleged violations of PAGA against Defendant, currently pending in the United States District Court for the Eastern District of California, Case No. 2:24-cv-00107-KJM-CKD (including the Consolidated Complaint and the Second Consolidated Complaint).

1.2. **"Class Counsel"** means D.Law, Inc. Class Counsel will also serve as PAGA Counsel for purposes of this case.

1.3 **"Class Counsel Award"** means the attorneys' fees for Class Counsel's litigation and resolution of the Action, and actual expenses and costs incurred and to be incurred by Class Counsel in connection with the Action.

1.4 **"Class Information"** or "**Class Data"** means information on the Class Members compiled from Defendant's records and provided to the Settlement Administrator in a Microsoft Excel spreadsheet, including each Class Member's full name; last known address; social security number; dates of employment; data available in Defendant's electronic records regarding pay periods and workweeks, to the extent available based upon existing electronic records, to allow the Settlement Administrator to determine the Workweeks and Pay Periods for each Class Member and each Aggrieved Employee.

1.5 **"Settlement Class Members"** means "All current and former individuals who were employed as non-exempt employees with Defendant within the State of California as store managers, assistant store managers, sales lead, associate store managers, key holders, and managers in training, at any time during the period from December 1, 2022 to the earlier of the following dates: (a) April 21, 2025, or (b) the date the Court enters judgment granting preliminary approval of the settlement."

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

1.7 **"Class Settlement Period"** means the period from December 1, 2022 to the earlier of the following dates: (a) April 21, 2025, or (b) the date the Court enters judgment granting preliminary approval of the settlement.

1.8 **"Class Representative Service Award"** means the amount the Court authorizes to be paid to the Class Representatives, in addition to their Individual Settlement Payment and/or

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

Individual PAGA Payment and their General Release Settlement Payment, in recognition of their efforts and the risks attendant to assisting with the prosecution of the Action.

1.9 **"Court"** means the Superior Court of the State of California for the County of Sacramento.

1.10 **"Defendant"** means and includes BG Retail, LLC dba Famous Footwear.

1.11 **"Effective Date"** means the date 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: (i) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (ii) if one or more Participating Class Member objects to the Settlement and no appeal was filed, the day after the deadline for filing a notice of appeal from the Judgment has expired; or (iii) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur, or the day after the appeal is dismissed, whichever is earlier.

1.12 **"Final Approval Hearing"** means the final hearing at which the Court reviews the fairness, reasonableness, and adequacy of the Settlement, and decides whether the Settlement meets all requirements for final approval.

1.13 **"Final Judgment"** means a judgment issued by the Court approving this Agreement as binding upon the Parties following the Final Approval Hearing.

1.14 **"General Release Settlement Payment"** means the payment made to each individual Plaintiff for the individual general release of their claims, which shall be each in the amount of $5,000.00 (Five-Thousand Dollars and Zero Cents).

1.15 **"Gross Settlement Amount"** or **"GSA"** means the total maximum amount payable under the terms of this Agreement by Defendant, which is the gross sum of $500,000.00 (Five Hundred Thousand Dollars and Zero Cents), subject to the "Modification Provision." The GSA includes all of the following: (a) the Individual Settlement Payments to Participating Class Members; (b) payment of the Settlement Administration Costs as approved by the Court; (c) the Class Representative Service Award to Plaintiffs, as approved by the Court; (d) Plaintiffs' General Release Settlement Payments; (e) the Class Counsel Award; and (f) the PAGA Payment.

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

Payment of the amount necessary to cover the employer's portion of payroll taxes associated with the portion of the settlement allocated to wages shall be made by Defendant, separate and apart from the Gross Settlement Amount.

The Settlement Administrator will make all required tax deductions and payments using a Qualified Settlement Fund. As set forth herein, the Settlement Administrator will issue all of the above-referenced payments from the Qualified Settlement Fund in accordance with the applicable provisions of this Agreement.

1.16 **"Individual PAGA Payment"** means the amounts paid from the PAGA Payment to Aggrieved Employees, which in the aggregate shall be Ten Thousand Dollars ($10,000), constituting 25% of the PAGA Payment, as consideration for Settlement of claims for civil penalties under the PAGA.

1.17 **"Individual Settlement Payment"** means the amount paid from the Net Settlement Amount to a Participating Class Member. Any Class Member who timely submits a valid Request for Exclusion, pursuant to the procedures set forth herein, is not a Participating Class Member and is not eligible to receive an Individual Settlement Payment.

1.18 **"LWDA"** means the California Labor and Workforce Development Agency.

1.19 **"LWDA PAGA Payment"** means the amount of Thirty-Thousand Dollars and Zero Cents ($30,000.00) to be paid to the LWDA as its 75% share of the PAGA Payment, as consideration for Settlement of claims for civil penalties under PAGA.

1.20 **"Modification Provision"** - At the January 21, 2025 mediation date, Defendant represented that its data team extrapolated the total number of Workweeks of the Action for the Settlement Class from December 1, 2022 to January 21, 2025 (the "Data Period") as 43,804 workweeks and 1,628 Settlement Class Members and 1,577 Aggrieved Employees. If, prior to the date of the Final Approval Order, the Parties agree or the Court finds that the actual number of workweeks during the Data Period is equal to or greater than (10%) above 43,804 (i.e., more than 48,184) Defendant will either (at its exclusive discretion): (a) increase the Maximum Settlement Amount by the percentage (in whole number increments) that the actual number of workweeks exceeds 10% of the original estimate (e.g., if the total number of workweeks is

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

10.3% above the original estimate, the Maximum Settlement Amount would be increased by 1%); or, (b) shorten the Settlement Period so that there is no increase above the 10% threshold.

1.21 "**Net Settlement Amount"** or **"NSA"** means the Gross Settlement Amount less the Court-approved Class Counsel Award, the Class Representative Service Award, the General Release Settlement Payments, the PAGA Payment, and the Settlement Administration Costs. The Net Settlement Amount is the total amount that will be paid to Participating Class Members in the form of Individual Settlement Payments.

The NSA shall be allocated as follows: (a) 20% as wages and (b) 80% as penalties and interest. The Settlement Administrator will be responsible for issuing a form W-2 to each Class Member for the amount each receives for unpaid "wages" and any IRS Form 1099s for the portion designated as "penalties and interest" required by law.

1.22 **"Notice of Class Action Settlement"** or **"Notice"** means the notice approved by the Parties and subject to Court approval, explaining the terms of this Agreement and the settlement process, which the Settlement Administrator will mail to each Settlement Class Member.

1.23 **"PAGA"** refers to the California Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698 et seq.

1.24 **"Aggrieved Employees"** means "All current and former individuals who were employed as non-exempt employees within the State of California as store managers, assistant store managers, sales leads, associate store managers, key holders, and managers in training, at any time during the period from January 9, 2023 to the earlier of the following dates: (1) April 21, 2025, or (b) the date the Court enters judgment granting preliminary approval of the class settlement."

1.25 **"Amended PAGA Letter"** is the PAGA Letter, referenced in section 2.16 herein, which shall be filed by Plaintiffs with the LWDA three (3) calendar days after this Agreement is fully executed.

1.26 **"PAGA Payment"** means the portion of the Gross Settlement Amount that shall be allocated to claims under the PAGA, which the Parties have agreed shall be Forty Thousand

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

Dollars and Zero Cents ($40,000.00). Of that sum, seventy-five percent (75%), *i.e.,* $30,000, shall be payable to the LWDA (i.e., the LWDA PAGA Payment) and the remaining twenty-five percent (25%), *i.e.,* $10,000, shall be used to pay the Individual PAGA Payments to Aggrieved Employees in settlement of all claims for PAGA penalties as defined in this Agreement.

1.27 **"PAGA Settlement Period"** means the period from January 9, 2023 to the earlier of the following dates: (1) April 21, 2025, or (b) the date the Court enters judgment granting preliminary approval of the class settlement."

1.28 **"Participating Class Members"** means those Settlement Class Members who do not file a valid and timely Request for Exclusion.

1.29 **"Parties"** means Plaintiffs and Defendant, collectively.

1.30 **"Pay Period"** means any pay period during the PAGA Settlement Period in which an Aggrieved Employee recorded performing any compensable work for Defendant as an hourly-paid or non-exempt employee, according to Defendant's records. Each Pay Period consists of two (2) Workweeks, as defined herein.

1.31 **"Plaintiffs"** means Anthony Corrales, Angela Diane Ponce, Priscilla Arellano, and Natalie Esparza.

1.32 **"Preliminary Approval Date"** means the date on which the Court issues an order granting preliminary approval of the proposed Settlement.

1.33 **"Qualified Settlement Fund"** or "**QSF"** means the account established by the Settlement Administrator, which the Parties agree shall at all times be treated as a "qualified settlement fund" within the meaning of Treas. Reg. §1.468B-1, *et seq*.

1.34 **"Released Parties"** means and includes BG Retail, LLC dba Famous Footwear, its past, present, and/or future direct and/or indirect, owners, officers, directors, members, managers, employees, attorneys, agents, affiliates, representatives, insurers, investors, shareholders, parent companies, subsidiaries, divisions, predecessors, successors, assigns, and joint venturers.

1.35 **"Request for Exclusion"** means a Settlement Class Member's written letter indicating a request to be excluded from the Class Settlement.

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

1.36 **"Response Deadline"** means the date sixty (60) calendar days (plus an additional 14 days for Class Members whose Notice of Class Action Settlement is re-mailed, as defined in section 4.2(b) of this Agreement) after the Settlement Administrator mails the Notice of Class Action Settlement to Settlement Class Members, which is the last date on which Settlement Class Members may timely: (a) submit a Request for Exclusion; (b) submit objections to the Settlement; or (c) dispute the information contained in the Notice of Class Action Settlement. If the thirtieth (30th) day falls on a Sunday or State or Federal holiday, then the deadline is extended to the next business day.

1.37 **"Settlement"** or "**Agreement"** means this Class and Representative Action Settlement Agreement and Release.

1.38 **"Settlement Administrator"** means Apex Class Action, LLC ("Apex"), the third-party company who is responsible for administering the settlement, mutually agreed to by the Parties and appointed by the Court upon Class Counsel's Motion for Preliminary Approval of this Settlement.

1.39 **"Settlement Administrator Costs"** means the amount to be paid to the Settlement Administrator from the Gross Settlement Amount for administration of this Settlement.

1.40 **"Workweek"** means any week during the Class Settlement Period in which a Settlement Class Member recorded performing any compensable work for Defendant as an hourly-paid or non-exempt employee, according to Defendant's records.

1.41 **"Workweeks and/or Pay Periods Dispute"** means a Settlement Class Member's written letter disputing the pre-printed information on the Notice of Class Action Settlement as to the number of the Settlement Class Member's Workweeks worked during the Class Settlement Period or the Aggrieved Employee's number of Pay Periods worked during the PAGA Settlement Period, and the dispute must: (a) contain the case name and number of the Action; (b) contain the Class Member's and/or Aggrieved Employee's full name, signature, address, telephone number, and last four (4) digits of Social Security number; (c) clearly state the dispute about the Workweeks/Pay Periods credited and what the Class Member and/or Aggrieved

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

Employee contends is the correct number; (d) attach any documentation that supports Class Member's and/or Aggrieved Employee's position; and (e) be timely submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline (plus an additional 14 days for Class Members whose Notice of Class Action Settlement is re-mailed, as defined below).

2. PROCEDURAL HISTORY

2.1 On November 28, 2023, Plaintiff Anthony Corrales filed his PAGA Letter with the LWDA ("Corrales PAGA letter).

2.2 On November 29, 2023, Plaintiff Anthony Corrales filed a complaint in the Superior Court of California, County of Sacramento, Case No. 23CV012350, alleging numerous representative wage and hour claims and a PAGA claim ("Corrales Complaint").

2.3 On January 12, 2024, Plaintiff Angela Ponce filed her PAGA letter with the LWDA ("Ponce PAGA letter").

2.4 On January 12, 2024, Plaintiff Angela Ponce filed a complaint in the Superior Court of California, County of Sacramento, Case No. 24CV000555, alleging numerous representative wage and hour claims and a PAGA claim ("Ponce Complaint").

2.5 On March 15, 2024, Plaintiffs Angela Diana Ponce and Anthony Corrales filed a consolidated complaint in the U.S. District Court for the Eastern District of California, Case No. 2:24-cv-00107-KJM-CKD ("Consolidated Complaint").

2.6 On June 12, 2024, Plaintiffs Angela Diana Ponce and Priscilla Arellano filed an Amended PAGA Letter with the LWDA ("Ponce Amended PAGA letter").

2.7 On June 14, 2024, Plaintiffs Angela Diana Ponce, Anthony Corrales, and Priscilla Arellano filed a consolidated Second Amended Complaint in the U.S. District Court for the Eastern District of California, Case No. 2:24-cv-00107-KJM-CKD ("Amended Consolidated Complaint").

2.8 The Corrales PAGA letter, the Corrales Complaint, the Ponce PAGA letter, the Ponce Amended PAGA letter, the Consolidated Complaint, the Amended Consolidated

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

Complaint, and the further amendments thereto as contemplated in this Agreement shall constitute the Action.

2.9 The Court has not granted class certification.

2.10 The same claims as those asserted in the Action were previously asserted against Defendant in a class and PAGA action lawsuit, which was settled. That prior action was *Luis Palencia Caba v. Caleres, Inc., BG Retail, LLC, and Kathy Martin* and was settled in the Sacramento County of the State of California, County of Sacramento, Case No. 34-2021-00301944 (the "*Caba Settlement*"). The *Caba Settlement* also included a release of the same PAGA claims asserted in the instant Action and that prior PAGA settlement was included in the *Caba Settlement*, and entitled *Maria Gamez-Martinez v. BG Retail, LLC*. The settlement period in the *Caba Settlement* was from June 1, 2017 to November 30, 2022.

2.11 On January 21, 2025, the Parties participated in a mediation session with Lou Marlin, Esq., a prominent mediator experienced in resolving wage-and-hour class and representative actions. As a result of the mediator's efforts, the Parties reached an agreement to settle all claims and causes of action alleged in the Action by Plaintiffs under the California Labor Code, the California Business and Professions Code, the applicable California Wage Order, and PAGA.

2.12 Before the mediation, Defendant produced extensive documentation including time and pay data, policy documents, class size information, PAGA size information, Pay Period and Workweek information, and information regarding the hourly rates of the Settlement Class Members. Defendant provided data, information, and documents sufficient to enable Plaintiffs and Class Counsel to rigorously evaluate the strengths and risks of the case and perform an analysis of the potential damages arising from the claims made in this case.

2.13 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.

2.14 The Parties stipulate to remand the Action to the Superior Court of Sacramento, County of Sacramento.

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

2.15 Following the remand, Plaintiffs agree to consolidate the Ponce Complaint with the Corrales Complaint, currently stayed in the Superior Court of California, County of Sacramento. Plaintiffs will thereafter file a First Amended Complaint in the consolidated action, which will allege all of the same class and PAGA claims and causes of action alleged thus far in the Action; however, Plaintiffs will redefine the Class as follows: "All current and former individuals who were employed as non-exempt employees with Defendant within the State of California as store managers, assistant store managers, sales leads, associate store managers, key holders, and managers in training, at any time during the period from December 1, 2022 to the earlier of the following dates: (a) April 21, 2025, or (b) the date the Court enters judgment granting preliminary approval of the settlement (the "Settlement Class")" and will add Natalie Esparza as a representative (the "Operative Complaint").

2.16 Plaintiffs further agree to file the Amended PAGA Letter that will allege all of the same PAGA claims thus far asserted in the Action; however, it will redefine the alleged group of Aggrieved Employees as follows: "All current and former individuals who were employed as non-exempt employees with Defendant within the State of California as store managers, assistant store managers, sales leads, associate store managers, key holders, and managers in training, at any time during the period of January 9, 2023 to the earlier of the following dates: (a) April 21, 2025 or (b) the date the Court enters the judgment granting preliminary approval of the class settlement (the "Settlement Class") and will add Natalie Esparza as a representative.

3. RELEASES OF CLAIMS

3.1 No Admission

Defendant expressly denies any liability or wrongdoing of any kind associated with the claims asserted in the Action. Defendant also disputes the damages and penalties claimed by Plaintiffs, and further contends that, for any purpose other than settlement, Plaintiffs' claims are not appropriate for class or representative treatment. This Settlement is a compromise of disputed claims. Nothing contained in this Settlement, no documents referred to herein, and no action taken to carry out this Settlement, shall be construed or used as an admission by or against Defendant as to the merits of the claims asserted in the Action or in any other proceeding.

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

Nothing contained in this Settlement, no documents referred to herein, and no action taken to carry out this Settlement, shall constitute the accuracy of any allegation made by Plaintiff or their Counsel.

Defendant contends that, at all times, it has complied with all applicable state, federal, and local laws related to the Settlement Class Members' employment. Defendant has entered into this Settlement to avoid the cost, risk, and inconvenience of further litigation. Nothing contained in this Settlement, nor the fact of this Settlement itself, shall be construed or deemed as an admission of liability, or wrongdoing on the part of the Defendant, collectively or individually. The Parties expressly agree that this Settlement shall not constitute any basis for subsequent violation PAGA penalty rates in any subsequent PAGA litigation against Defendant.

Pursuant to California Evidence Code sections 1152 and 1154, this Settlement shall be inadmissible as evidence in any proceeding; except the Settlement may be filed and used in this litigation or any related litigation as necessary to approve, interpret, or enforce this Settlement, or in any subsequent action against or by Defendant to support a stay of such subsequent action, or to establish a defense of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

3.2 Benefits to Class and Aggrieved Employees.

Class Counsel investigated the facts relevant to the Action, including reviewing documents and information provided by Defendant. Based on their own independent investigation and evaluation, Class Counsel believes the Settlement with Defendant is fair, reasonable, and adequate, and in the best interest of the Settlement Class, in light of all known facts and circumstances, including the risks of significant delay, defenses asserted by Defendant, uncertainties regarding a class trial, and numerous potential appellate issues. Accordingly, the Parties and their counsel desire to fully, finally, and forever settle, compromise, and discharge all disputes and claims arising from or relating to the Action on the terms set forth herein.

Defendant has concluded that any further defense of this litigation would be protracted and expensive for all Parties. Substantial amounts of Defendant's time, energy, and resources

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

have been and, unless this Settlement is completed, will continue to be devoted to, the defense of the claims asserted by Plaintiffs in the Actions. Defendant has also taken into account the risks of further litigation in reaching the decision to enter into this Settlement. Even though Defendant continues to contend that it is not liable for any of the claims set forth by Plaintiffs in the Actions, Defendant has agreed, nonetheless, to settle in the manner and upon the terms set forth in this Agreement to put to rest the claims in the Action.

3.3 Settlement of Disputed Claims

This Agreement is a compromise of disputed claims. Defendant has claimed and continues to claim that the Released Claims have no merit and do not give rise to liability. Plaintiffs and Participating Class Members and Aggrieved Employees have claimed and continue to claim that the Released Claims have merit and give rise to liability on the part of Defendant. Nothing contained in this Agreement, no documents referred to herein, and no action taken to carry out this Agreement, may be construed or used as an admission by or against the Participating Class Members or Class Counsel as to the merits or lack thereof of the claims asserted in this Action.

3.4 Release for All Participating Class Members

Upon the Effective Date and full funding of the Gross Settlement Amount, all Participating Class Members (regardless of whether they are Aggrieved Employees), on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims under any state, local, or federal law or administrative agency that were or could have been alleged based on the allegations, claims, and causes of action in the Operative Complaint of the Action or which reasonably could have been alleged based on the facts contained in the Operative Complaint of the Action (including those theories asserted in the Amended PAGA Letter to the LWDA), including all of the following claims for relief: (a) failure to pay all time worked at the correct rate of pay (including minimum wages, regular wages, overtime wages, and premiums for meal periods and rest periods); (b) failure to pay minimum wages (including reporting time pay, on-call pay, and standby pay); (c) failure to pay wages and overtime under Labor Code § 510

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

(including double time wages, reporting time pay, on-call pay, and standby pay); (d) meal-period liability under Labor Code § 226.7 (including late, short, and missed first meal periods as well as late, short, and missed second meal periods as well as failure to pay meal period premiums at the regular rate of pay); (e) rest-break liability under Labor Code § 226.7 (including late, short, and missed rest period, as well as failure to pay rest period premiums at the regular rate of pay and failure to allow employees to leave the premises); (f) violation of Labor Code § 226(a) for improper or inaccurate wage statements; (g) failure to keep required payroll records under Labor Code §§1174, 1174.5, and 1198 (including failure to maintain accurate time and wage records); (h) reimbursement of necessary expenditures under Labor Code § 2802 (including but not limited to cell phone usage and costs for vehicle maintenance, mileage, and fuel, personal protective equipment such as knee pads, gloves, and a fan); (i) penalties pursuant to Labor Code § 203 as well as all claims for untimely payment of final wages and associated waiting time penalties under sections 201 to 203 of the Labor Code; (j) violation of Business & Professions Code § 17200 *et seq.* and (k) any other claims or penalties under the wage and hour laws pleaded in the Operative Complaint of the Action or which reasonably could have been alleged based on the facts pleaded in the Operative Complaint of the Action; and (l) all statutory penalties, liquidated damages, punitive damages, interest, attorneys' fees and costs, expenses, restitution, and equitable and declaratory relief based upon the allegations asserted in the Operative Complaint of the Action; and other amounts recoverable under said causes of action under California and federal law, to the extent permissible, including but not limited to the California Labor Code as to the facts alleged in the Operative Complaint of the Action, the applicable Wage Orders as to the facts alleged in the proposed complaint, and the California Unfair Competition Law ("Released Class Claims"). The Released Class Claims will take effect whether or not a Participating Class Member receives his or her Individual Settlement Payment or cashes and deposits any Individual Settlement Payment check. 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 Settlement Period.

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

3.5 Release by Plaintiffs

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs fully and finally release the Released Parties from all known and unknown claims against the Released Parties, as well as any and all claims, demands, liens, agreements, contracts, covenants, actions, suits, causes of action, grievances, wages, vacation payments, severance payments, obligations, commissions, overtime payments, debts, profit sharing claims, expenses, damages, judgments, orders, and liabilities of whatever kind or nature in state or federal law, equity or otherwise, whether known or unknown, which Plaintiffs now own or hold or has at any time owned or held against the Released Parties, including specifically, but not exclusively, and without limiting the generality of the foregoing, any and all claims known or unknown, suspected or unsuspected: (1) arising out of Plaintiffs' respective employments with Defendant or termination of that employment; or (2) arising out of or in any way connected with any claim, loss, damage, or injury whatsoever, known or unknown, suspected or unsuspected, resulting from any act or omission by or on the part of Defendant or the Released Parties, committed or omitted by Defendant or the Released Parties on or before the date this Agreement is executed by Plaintiffs. Furthermore, without limiting the generality of the foregoing, Plaintiffs also specifically agree and acknowledge they are waiving any right to recovery based on state or federal age, sex, race, color, national origin, marital status, religion, veteran status, disability, sexual orientation, medical condition, genetic condition, or other antidiscrimination laws, rules, regulations, or ordinances, including, but not limited to, Title VII of the Civil Rights Act of 1964, Sections 1981 and 1983 of the Civil Rights Act of 1866, the Fair Credit Reporting Act, the Americans with Disabilities Act, the WARN Act, the Equal Pay Act, the Employee Retirement Income Security Act, California Business and Professions Code section 17200, et seq., the Age Discrimination in Employment Act of 1967, as amended ("ADEA"), and the Older Workers Benefit Protection Act, as amended ("OWBPA") (except a claim relating to whether this release or waiver is valid under the ADEA and except for any claims under the ADEA that may arise after the date this Agreement is executed by Plaintiffs), the California Labor Code and any similar state or local laws, such as the California Fair Employment and Housing Act, California Family Medical Leave Act, the California Family

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

Rights Act, and all of their implementing regulations and interpretive guidelines, as well as in common law, including laws related to discrimination, harassment, or retaliation, whether known or unknown, and whether anticipated or unanticipated, arising from or relating to the Plaintiffs' relationships, or the termination of the relationships, with any Released Party through the date this Agreement is executed by Plaintiffs for any type of relief ("Plaintiffs' Released Claims"). For the avoidance of doubt, this is a complete and general release of all claims to the maximum extent permitted by law. The scope of this release does not include claims for unemployment insurance, disability, social security, and workers' compensation.

Plaintiffs' release set forth herein includes a waiver of all rights under California Civil Code §1542, which provides:

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

Plaintiffs may hereafter discover claims or facts in addition to, or different from, those which they know or believe to exist, but Plaintiffs expressly agree to fully, finally, and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, which exist or may exist against the Released Parties at the time prior to the execution of this Agreement, including, but not limited to, any and all claims relating to or arising from Plaintiffs' respective employments with Defendant.

3.6. Release for All Aggrieved Employees

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs, as representatives of the State of California and on behalf of the LWDA and all Aggrieved Employees, fully and finally release the Released Parties from all claims for statutory PAGA civil penalties that could have been sought by the LWDA for the violations alleged in Plaintiffs' Amended PAGA Letter, including all claims for PAGA penalties that were alleged or which reasonably could have been alleged based on the facts alleged in the Operative Complaint and the Amended PAGA Letter to the LWDA that accrued during the PAGA Period, including (a)

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

failure to pay all time worked at the correct rate of pay (including minimum wages, regular wages, overtime wages, and premiums for meal periods and rest periods); (b) failure to pay minimum wages (including reporting time pay, on-call pay, and standby pay); (c) failure to pay wages and overtime under Labor Code § 510 (including double time wages, reporting time pay, on-call pay, and standby pay); (d) meal-period liability under Labor Code § 226.7 (including late, short, and missed first meal periods as well as late, short, and missed second meal periods as well as failure to pay meal period premiums at the regular rate of pay); (e) rest-break liability under Labor Code § 226.7 (including late, short, and missed rest period, as well as failure to pay rest period premiums at the regular rate of pay and failure to allow employees to leave the premises); (f) violation of Labor Code § 226(a) for improper or inaccurate wage statements; (g) failure to keep required payroll records under Labor Code §§1174, 1174.5, and 1198 (including failure to maintain accurate time and wage records; (h) reimbursement of necessary expenditures under Labor Code § 2802 (including but not limited to cell phone usage and costs for vehicle maintenance, mileage, and fuel, personal protective equipment such as knee pads, gloves, and a fan); (i) penalties pursuant to Labor Code § 203 as well as all claims for untimely payment of final wages under Labor Code 204 and associated waiting time penalties under sections 201 to 203 of the Labor Code; and (j) civil penalties under PAGA ("Released PAGA Claims"). The Released PAGA Claims will take effect whether or not an Aggrieved Employee receives his or her Individual PAGA Payment or cashes and deposits any Individual PAGA Payment check.

4. MOTION FOR PRELIMINARY APPROVAL

4.1 Preparation.

Class Counsel shall be responsible for preparing the Motion for Preliminary Approval. Class Counsel agrees to provide Counsel for Defendant with drafts of all documents they intend to submit in support of their Motion for Preliminary Approval at least five (5) calendar days in advance of filing to allow Counsel for Defendant a reasonable time to review and comment on such papers. Class Counsel further agrees to reasonably cooperate with Defendant's Counsel to address and resolve the comments from Counsel for Defendant.

/ / /

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

4.2 Settlement Administrator

Within ten (10) calendar days following the date the Court grants Preliminary Approval of this Agreement, Defendant shall provide the Settlement Administrator with the Class Information for purposes of mailing the Notice of Class Action Settlement to the Settlement Class Members. The Settlement Administrator shall maintain the Class Information as private and confidential and shall not disclose such data to any persons or entities, other than Counsel for Defendant, except relevant information can be provided to Class Counsel, on an individual basis only, and only when necessary for Class Counsel to respond to specific inquiries or requests from individual Class Members.

The Class Information is being supplied solely for purposes of the administration of the Settlement set forth in this Agreement and cannot be used by the Settlement Administrator or Class Counsel for any other purpose. The Parties agree that the Class Information will not be used to solicit Class Members to file any claim, charge, or complaint of any kind whatsoever against Defendant and will only be used to administer the Settlement under the terms provided herein.

Notwithstanding the above, within five (5) calendar days of receipt of the Class Information, the Settlement Administrator shall verify in writing to Class Counsel and Counsel for Defendant the total number of Workweeks within the Data Period for purposes of determining whether the Modification Provision is triggered.

a. Notice by First Class Mail

Upon receipt of the Class Information, the Settlement Administrator will perform a search based on the National Change of Address Database to update and correct any known or identifiable address changes. Within five (5) calendar days of receipt of the Class Information, the Settlement Administrator will mail copies of the Notice of Class Action Settlement to all Settlement Class Members via regular First-Class U.S. Mail. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Settlement Class Member, including performing a skip-trace to identify any updated addresses. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

the best mailing address for each Settlement Class Member. The form of the proposed Notice of Class Action Settlement will be agreed to by the Parties, and subject to Court approval and modification as necessary to fulfill the Parties' desire to resolve the case.

b. Undeliverable Notices

Any Notice of Class Action Settlement returned to the Settlement Administrator as undeliverable on or before the Response Deadline shall be re-mailed once to the forwarding address affixed thereto. If no forwarding address is affixed, the Settlement Administrator shall promptly attempt to determine a correct address by use of skip-tracing, or other search using the name, address, and/or Social Security Number of the Class Member whose notice was undeliverable, and shall then re-mail all returned, undelivered mail within five (5) calendar days of receiving notice that a Notice of Class Action Settlement was undeliverable. Class Members who receive a re-mailed Notice of Class Action Settlement shall have their Response Deadline extended fourteen (14) calendar days from the date of re-mailing or original Response Deadline.

c. Disputes regarding Individual Settlement Payments and Individual PAGA Payments

Class Members and Aggrieved Employees will have the opportunity, should they disagree with the number of Workweeks or Pay Periods stated on their Notice of Class Action Settlement by submitting a Workweeks and/or Pay Periods Dispute, postmarked on or before the Response Deadline (plus an additional 14 days for Class Members whose Notice of Class Action Settlement is re-mailed). If there is a Workweeks and/or Pay Periods Dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility of each Class Member and Aggrieved Employee for, and the amounts of, their Individual Settlement Payment and Individual PAGA Payment under the terms of this Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Individual Settlement Payment and Individual PAGA Payment will be binding upon the Parties. In the absence of circumstances indicating fraud, manipulation, or destruction, Defendant's records will be given a rebuttable presumption of accuracy.

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

d. Disputes regarding Administration of Settlement

Any disputes not resolved by the Settlement Administrator concerning the administration of the Settlement will be resolved by the Court under the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties will confer in good faith to attempt to resolve the dispute without involving the Court.

e. Exclusions

The Notice of Class Action Settlement shall state that Class Members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline (plus an additional 14 days for Class Members whose Notice of Class Action Settlement is re-mailed). The Request for Exclusion must: (1) contain the name, address, and telephone number of the Class Member requesting exclusion; (2) contain a statement expressing that the Class Member elects to be excluded from the Settlement; (3) be signed by the Class Member; and (4) be postmarked by the Response Deadline (plus an additional 14 days for Class Members whose Notice of Class Action Settlement is re-mailed) and returned to the Settlement Administrator at the specified address.

The date of the postmark on the return mailing envelope on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Class Members who fail to submit a valid and timely Request for Exclusion on or before the Response Deadline (plus an additional 14 days for Class Members whose Notice of Class Action Settlement is re-mailed) shall be bound by all terms of the Settlement and any Final Judgment entered in this Action.

Any Class Member who requests to be excluded from the Class Settlement will not be entitled to any recovery under the Class Settlement and will not be bound by the terms of the Class Settlement or have any right to object to or appeal the Class Settlement.

Any Request for Exclusion has no effect on the PAGA Settlement. Any Class Member who is also considered an Aggrieved Employee will still be issued their Individual PAGA Payment and be bound by the PAGA Settlement, regardless of whether they submit a Request for Exclusion.

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

No later than seven (7) calendar days after the Response Deadline (plus an additional 14 days for Class Members whose Notice of Class Action Settlement is re-mailed), the Settlement Administrator will provide counsel for the Parties with a complete list of all members of the Class who have timely submitted a Request for Exclusion.

g. Objections

The Notice of Class Action Settlement shall state that Participating Class Members who wish to object to the Settlement may do so in person (or other method of personal appearance permitted by the court, e.g., remote appearance) at the Final Approval Hearing and/or in writing. Any written objection ("Notice of Objection") must be mailed to the Settlement Administrator by the Response Deadline (plus an additional 14 days for Class Members whose Notice of Class Action Settlement is re-mailed). The date of mailing on the envelope shall be deemed the exclusive means for determining that a Notice of Objection was timely received.

The Notice of Objection must be signed by the Settlement Class Member and state: (1) the full name and address of the objecting Settlement Class Member; (2) the factual and/or legal basis for the objection; and (3) whether the Settlement Class Member intends to appear at the Final Approval Hearing. Class Counsel will ensure that any Notice of Objection received by the Settlement Administrator by the Response Deadline (plus an additional 14 days for Class Members whose Notice of Class Action Settlement is re-mailed) is filed with the Court along with the Motion for Final Approval.

Any of the Parties may file a response to any objection before the Final Approval Hearing. Any attorney who represents an individual objecting to this Settlement who has not filed a written objection must file a notice of appearance with the Court and serve Class Counsel and counsel for Defendant with this notice no later than the Response Deadline. Any Settlement Class Member who fails to submit a timely written objection or to present an objection in person at the Final Approval Hearing shall be deemed to have waived any objections and shall be foreclosed from making any objection to the Settlement whether by appeal or otherwise.

/ / /

/ / /

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

4.3. No Solicitation of Settlement Objections of Exclusions

The Parties agree to use their best efforts to carry out the terms of this Settlement. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to object to the Settlement or file Requests for Exclusion, or to appeal from the Court's Final Judgment.

5. FINAL APPROVAL

5.1 Final Approval Hearing and Entry of Final Judgment

Upon expiration of the Response Deadline (plus an additional 14 days for Class Members whose Notice of Class Action Settlement is re-mailed), with the Court's permission, a Final Approval Hearing shall be conducted to determine final approval of the Settlement along with the amount properly payable for: (a) the Class Counsel Award; (b) the Class Representative Service Award; (c) General Release Settlement Payments; (d) Individual Settlement Payments; (e) Individual PAGA Payment and LWDA PAGA Payment, and (e) Settlement Administrator Costs.

5.2. Final Approval Order

Plaintiffs will request, and Defendant will concur in said request, that the Court enter, after the Final Approval Hearing, a Final Approval Order and a Final Judgment. Plaintiffs will request that the Final Approval Order certify the Settlement Class; find that this Agreement is fair, just, adequate, and in the best interests of the Class; and require the Parties to carry out the provisions of this Agreement. The Parties shall jointly prepare the proposed Final Approval Order.

Plaintiffs shall be responsible for preparing the Motion for Final Approval, and any Motion requesting Class Counsel Award and Class Representative Service Award, supporting declarations, and exhibits thereto, for final approval by the Court. Plaintiffs agree to provide Counsel for Defendant with drafts of all documents they intend to submit in support of their Motion for Final Approval and application for attorney fees and costs at least five (5) calendar days in advance of filing to allow Counsel for Defendant a reasonable time to review and comment on such papers. Plaintiffs further agree to reasonably consider the comments from

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

Counsel for Defendant. The Parties must meet and confer and make all reasonable efforts to agree on any modifications to this Agreement that will result in entry of the Final Approval Order.

5.3. Nullification of Agreement

In the event: (a) the Court denies preliminary approval of the Settlement; (b) the Court denies final approval of the Settlement; (c) the Court refuses to enter a Final Judgment as provided herein; or (d) the Settlement does not become final for any other reason, this Agreement shall be null and void and any order or judgement entered by the Court in furtherance of this Settlement shall be treated as void from the beginning. The Parties agree that, should the Court fail to approve the Settlement, for any reason, they will attend mediation again before the same mediator in an effort to reach a settlement that will be approved by the Court.

6. MONETARY TERMS AND FUNDING

6.1. Funding of Qualified Settlement Fund

No later than three (3) calendar days after being notified of the Court's final approval, the Settlement Administrator shall send Defendant's Counsel electronic wiring instructions for paying the Gross Settlement Amount into the QSF. The Settlement Administrator will also inform Defendant of the amount to be sent to the QSF to pay for the employer's share of payroll taxes. No later than thirty (30) calendar days after the Effective Date, Defendant shall fund the QSF.

6.2. Net Settlement Amount

The Net Settlement Amount will be determined by the Settlement Administrator by subtracting the Class Counsel Award, Class Representative Service Award, General Release Settlement Payments, Individual PAGA Payment, LWDA PAGA Payment, and Settlement Administrator Costs from the Gross Settlement Amount, plus any increase based on the Modification Provision.

This is a non-reversionary Settlement in which Defendant will pay the Gross Settlement Amount. No portion of the Gross Settlement Amount will revert to Defendant. The employer's share of payroll taxes and other required withholdings from Individual Settlement Payments,

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

including but not limited to the FICA and FUTA contributions, if applicable, shall be paid separately from, and in addition to, the Gross Settlement Amount. Any award of less than the amounts requested for enhancements, administrative costs, litigation costs, or attorneys' fees will be returned to the Net Settlement Amount and distributed to the Participating Class Members.

6.3. Individual Settlement Payments

Individual Settlement Payments will be paid from the Net Settlement Amount and shall be paid pursuant to the settlement formula as follows:

Initial NSA allocation. The NSA will be distributed to the settlement class members on a pro rata basis based on the number of Workweeks worked by each individual Class Member during the Class Period. After preliminary approval of the Settlement, using the Class Information, the Settlement Administrator will compute the total number of Workweeks of all Settlement Class Members collectively during the Class Settlement Period, and this sum shall be known as the Workweek Total; (ii) the Settlement Administrator will divide the Net Settlement Amount by the Workweek Total to determine the settlement value for each Workweek (the "Workweek Value"); and (iii) the Settlement Administrator will multiply the number of Workweeks of a Settlement Class Member during the Class Settlement Period by the Workweek Value to determine that Settlement Class Member's estimated pre-tax Individual Settlement Payment.

Final Approval. After final approval of the Settlement, the Settlement Administrator will again make the calculations set forth above to determine each Participating Class Member's final post-tax Individual Settlement Payments.

Individual Settlement Payments after all tax withholdings consistent with this Agreement shall be mailed by regular First-Class U.S. Mail to each Participating Class Member's last known mailing address within five (5) calendar days after Defendant fully funds the settlement.

6.4. PAGA Payment

A total amount of $40,000.00 from the Gross Settlement Amount will be allocated as the PAGA Payment to be paid as penalties under PAGA, of which seventy-five percent (75%), *i.e,*

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

$30,000, will be the LWDA PAGA Payment to be paid to the LWDA, and the remaining twenty-five (25%), *i.e.,* $10,000, shall be distributed to the Aggrieved Employees as Individual PAGA Payments. Any portion of the PAGA Payment not approved by the Court shall be added to the Net Settlement Amount and any additional amount ordered by the Court shall be paid from the Gross Settlement Amount. In no event shall Defendant be required to pay in excess of the Gross Settlement Amount in such circumstances.

The LWDA PAGA Payment will be paid to the LWDA within five (5) calendar days after Defendant fully funds the Gross Settlement Amount.

The Individual PAGA Payment is to be distributed to the Aggrieved Employees as Individual PAGA Payments and shall be distributed based on a pro rata share based on the number of Pay Periods during the PAGA Settlement Period. To establish the pay period value, the Settlement Administrator will first determine the total number of Pay Periods during the PAGA Settlement Period. The pay period value will be equal to 25% of the PAGA Payment divided by the total number of Pay Periods worked by all Aggrieved Employees during the PAGA Settlement Period. The pay period value will be rounded to the nearest cent. The amount of the Individual PAGA Payment to be paid to each Aggrieved Employee will be determined by multiplying the pay period value by the Aggrieved Employee's total number of Pay Periods during the PAGA Settlement Period. Individual PAGA Payments shall be mailed by regular First-Class U.S. Mail to each Aggrieved Employee's last known mailing address within five (5) calendar days after Defendant fully funds the Gross Settlement Amount. All payments to the PAGA Group shall be designated as penalties, and thus not wages.

6.5. Class Representative Service Award and General Release Settlement Payments

Plaintiffs will make an application to the Court for a Class Representative Service Award of up to $5,000 per Plaintiff, and for a General Release Settlement Payment of $5,000 per Plaintiff. The Class Representative Enhancement Award and General Release Settlement Payments shall be paid to Plaintiffs from the Gross Settlement Amount no later than five (5) calendar days after Defendant fully funds the Gross Settlement Amount. The Class

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

Representative Service Award shall be in addition to the Plaintiffs' Individual Settlement Payments as a Participating Class Member, Individual PAGA Payment as an Aggrieved Employee, and the General Release Settlement Payments. Any amount requested by Plaintiffs for the Class Representative Service Award and/or General Release Settlement Payment that is not granted by the Court shall return to the Net Settlement Amount and be distributed to Participating Class Members as provided in this Agreement. In the event the Court reduces or does not approve the requested Class Representative Service Award and/or General Release Settlement Payment, Plaintiffs and Class Counsel shall not have the right to modify or revoke the Settlement, or to appeal such order, nor will Plaintiffs or Class Counsel seek, request, or demand an increase to the Gross Settlement Amount on that basis.

6.6. Class Counsel Award

Class Counsel will file a motion for attorney fees in the amount of up to one-third of the Gross Settlement Amount, which is currently estimated to be $166,666.67 (One Hundred Sixty-six Thousand Six Hundred Sixty-six Dollars and Sixty-Seven Cents), increased by the Modification Provision, if applicable, and for the reimbursement of reasonable litigation costs and expenses associated with Class Counsel's prosecution of this matter in addition to attorneys' fees, to be paid from the Gross Settlement Amount. Class Counsel shall be paid the Class Counsel Award no later than five (5) calendar days after Defendant fully funds the Gross Settlement Amount. Any amount requested by Class Counsel for the Class Counsel Award and not granted by the Court shall return to the Net Settlement Amount and be distributed to Participating Class Members as provided in this Agreement.

This Settlement is not contingent upon the Court awarding Class Counsel any particular amount in attorney fees and costs and, in the event that the Court reduces or does not approve the requested Class Counsel Award, Plaintiffs shall not have the right to modify or revoke the Settlement, nor will Plaintiffs seek, request, or demand an increase to the Gross Settlement Amount on that basis. The settlement will still be binding.

/ / /

/ / /

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

6.7. Tax Treatment

The Settlement Administrator will report each payment made from the Qualified Settlement Fund to state and federal government authorities, including the Internal Revenue Service, to the extent required by law. All Individual Settlement Payments shall be allocated as follows: 20% as wages and 80% as penalties and interest. The 20% portion of Settlement Payments shall be subject to required withholdings and deductions by the Settlement Administrator and shall be reported on a Form W-2 (and such other state or local tax reporting forms as may be required by law) with respect to the year of payment as wage income to the Participating Class Member by the Settlement Administrator on behalf of the Qualified Settlement Fund. All Individual PAGA Payments shall be allocated as 100% penalties for which a Form 1099 will be issued if required. The Settlement Administrator shall issue an I.R.S. Form 1099 if required for the remaining payments under this Agreement. Defendant shall solely be responsible for paying the employer's share of payroll taxes on the amounts allocated as wages, which amount shall be paid separately from the Gross Settlement Amount. Plaintiffs, any Participating Class Member, and any Aggrieved Employee who receives any Individual Settlement Payment or Individual PAGA Payment should consult with their tax advisors concerning the tax consequences of the payments they receive under the Settlement.

Participating Class Members, Aggrieved Employees, and Class Counsel shall be solely responsible for the reporting and payment of their share of any federal, state, and/or local income tax or other tax or any other withholdings, if any, on any of the payments made pursuant to this Settlement. The Notice will advise each Class Member and Aggrieved Employee to seek his/her own personal tax advice prior to acting in response to the Notice, and Defendant, Plaintiffs, and each Class Member and Aggrieved Employee will have an adequate opportunity to seek tax advice, prior to acting in response to the Notice.

6.8. No Tax Advice

Defendant has not made any representations as to the taxability to any Settlement Class Members of any portion of the Individual Settlement Payments, to any Aggrieved Employees regarding the Individual PAGA Payments, the payment of any attorney fees and expenses to

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

Class Counsel, or the payment of the Class Representative Service Award to the Class Representatives. Neither Plaintiffs, Class Counsel, nor Defendant's 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.

6.9. Unclaimed Settlement Payment

After one hundred and eighty (180) calendar days of the mailing of the Individual Settlement Payments and Individual PAGA Payment checks, any remaining funds attributable to unclaimed, undeliverable, or expired Individual Settlement Payment checks and/or Individual PAGA Payment checks shall be transmitted to the California Controller's Unclaimed Property Fund in the name of each Participating Class Member and/or Aggrieved Employee who did not cash their Individual Settlement Payment check or Individual PAGA Payment check. The Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code § 384, as the entire Net Settlement will be paid out to Participating Class Members, whether or not they all cash their Individual Settlement Payments, and Defendant will not be required to pay any interest on said amount.

6.10. Settlement Administrator Costs

The Settlement Administrator has provided a settlement administration quote for $16,500.00. Upon filing the motion for Final Approval, Plaintiffs will request the Court to award an amount equal to the actual administration costs. The Settlement Administrator shall have the authority and obligation to make payments, credits, and disbursements to Participating Class Members and Aggrieved Employees in the manner set forth herein, calculated in accordance with the methodology set out in this Agreement and orders of the Court. The Parties agree to cooperate in the Settlement Administration process and to make reasonable efforts to control and minimize the cost and expenses incurred in administration of the Settlement. The Settlement Administrator shall be paid the Settlement Administrator Costs no later than five (5) calendar days after Defendant fully funds the Gross Settlement Amount. Any amount requested for the

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

Settlement Administrator Costs and not granted by the Court shall return to the Net Settlement Amount and be distributed to Participating Class Members as provided in this Agreement.

6.11. Settlement Administrator Duties

In addition to establishing the Qualified Settlement Fund, the Settlement Administrator shall be responsible for the following: creating a plan of settlement administration and settlement fund distribution; using the Class Information to calculate each Class Member's approximate Individual Settlement Payment and each Aggrieved Employee's Individual PAGA Payment; ascertaining the identity and whereabouts of the Class Members and mailing Notice of Class Action Settlement out to them; communicating with Class Members as necessary; printing and mailing the Notice of Class Action Settlement and tax forms to the Participating Class Members and Aggrieved Employees, as directed by the Court (including, but not limited to, the DE 9, the DE 9C, 1099s, W-2s and W-3s); receiving and reporting requests for exclusion and objections; processing and disbursing payments to Plaintiffs, Class Counsel, Participating Class Members, the LWDA and Aggrieved Employees; notifying the Parties of, and resolving any disputes regarding, the calculation of Settlement Class Members' Individual Settlement Payments or Aggrieved Employees' Individual PAGA Payments; complying with all tax reporting notice and filing requirements; carrying out all other duties related to the Qualified Settlement Fund's documentation and filing; providing declaration(s) as necessary in support of preliminary and/or final approval of this Settlement; providing status reports as needed, among other administrative duties; and other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities.

Defendant and their Counsel shall have no responsibility for validating or ensuring the accuracy of the Settlement Administrator's work. Plaintiffs, Class Counsel, Defendant, and Defendant's Counsel shall not bear any responsibility for any errors or omissions in the calculation or distribution of the Individual Settlement Payments, Individual PAGA Payments, or any other distribution of monies contemplated by this Agreement.

7. ADDITIONAL TERMS

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

7.1. 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, to 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 will confer with Class Counsel before any cancellation. Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect. The Parties agree to cooperate to obtain preliminary and final approval of the Settlement.

7.2. No Publicity

Plaintiffs and Class Counsel agree not to disclose or publicize the Settlement, including the Term Sheet, the fact of the Settlement, its terms or contents, and the negotiations underlying the Settlement, in any manner or form, directly or indirectly, to any person or entity, except as shall be contractually required to effectuate the terms of the Settlement as set forth herein. For the avoidance of doubt, this section means that Plaintiffs and Class Counsel will not issue press releases, communicate with or respond to any media or publication entities, publish information in manner or form, whether printed or electronic, on any medium or otherwise communicate, whether by print, video, recording or any other medium, with any person or entity concerning the Settlement, including the fact of the Settlement, its terms or contents and the negotiations underlying the Settlement, except as shall be contractually required to effectuate the terms of the Settlement as set forth herein. However, for the limited purpose of allowing Plaintiffs' Counsel to prove adequacy as class counsel in other actions, or for purposes of seeking court approval of comparable wage and hour settlements, Plaintiffs' Counsel may disclose information available in the public venue about the Action and Settlement.

7.3. No Other Actions

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

Other than the instant Action, Plaintiffs and Plaintiffs' counsel represent that they do not currently represent any other current or former employees of Defendant in connection with any actual or planned claims, charges, complaints or other matters against Defendant or any Released Party. The Parties acknowledge, understand, and agree the representation in this paragraph is essential to this Settlement and this Settlement would not have been entered were it not for this representation.

7.4. No Effect of Employee Benefits

The Class Representative Service Award, Individual Settlement Payments, and Individual PAGA Payments shall be deemed not to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any employee benefits (e.g., vacations, holiday pay, retirement plans, etc.) of the respective Plaintiffs, Participating Class Members, and Aggrieved Employees. The Parties agree that any Class Representative Service Award, Individual Settlement Payments, and Individual PAGA Payments paid to Plaintiffs, Participating Class Members, and Aggrieved Employees under the terms of this Settlement do not represent any modification of any previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by the Defendant. Further, any Class Representative Service Award, Individual Settlement Payments, and Individual PAGA Payments shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by the Defendant.

7.5. Representation

All of the Parties have been represented by counsel throughout all negotiations which preceded the execution of this Settlement, and all Parties have been advised by counsel prior to entering into this Settlement.

7.6. Exhibits and Headings

The terms of this Agreement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. Any Exhibits to this Agreement are an integral part of the Settlement. The descriptive headings of any paragraphs or

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

7.7. Interim Stay of Proceedings

Upon full execution of this Agreement, the Parties agree to jointly request the Court to stay proceedings except for the proceedings necessary to implement and complete the Settlement.

7.8. Amendment or Modification

This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

7.9. Entire Agreement

This Agreement and any attached Exhibits constitute the entire Agreement among these Parties, and no oral or written representations, warranties, or inducements have been made to any Party concerning this Agreement or its Exhibits other than the representations, warranties, and covenants contained and memorialized in the Agreement and its Exhibits. The Parties are entering into this Agreement based solely on the representations and warranties herein and not based on any promises, representation, and/or warranties not found herein.

7.10. Authorization to Enter into Agreement

Counsel for all Parties are expressly authorized by the Parties whom they represent to negotiate this Agreement and take all appropriate actions required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement.

The Parties will cooperate with each other and use their best efforts to affect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement. The person signing this Agreement on behalf of the Defendant represents and warrants that she or she is authorized to sign this Agreement on behalf of the Defendant. Plaintiffs represent and warrant that they are each

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

authorized to sign this Agreement and that they have not assigned any claim, or part of a claim, covered by this Settlement to a third-party.

7.11. Binding on Successors and Assigns

This Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

7.12. California Law Governs

All terms of this Agreement and the Exhibits hereto shall be governed by and interpreted according to the laws of the State of California.

7.13. Counterparts

This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

7.14. Jurisdiction of the Court

Pursuant to California Code of Civil Procedure section 664.6, the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the settlement embodied in this Agreement and all connected orders and judgments.

7.15. Invalidity of Any Provision

Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable.

7.16. Neutral Reference

If a person or entity inquires about Plaintiffs' employment with Defendant, Defendant agrees to only provide a neutral reference that provides only Plaintiffs' dates of employment and last held position with Defendant.

/ / /

/ / /

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

7.17. Operative Complaint Drafts

Class Counsel agrees to provide Counsel for Defendant with drafts of the Operative Complaint at least five (5) calendar days in advance of filing to allow Counsel for Defendant a reasonable time to review and comment on it.

7.18. Attorneys' Fees and Costs

Except as otherwise specifically provided for herein, each party shall bear their own attorneys' fees, costs, and expenses, taxable or otherwise, incurred by them or arising out of the Action and shall not seek reimbursement thereof from any other party in this Agreement. In any suit or court action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover their reasonable attorneys' fees and costs.

WHEREFORE, Plaintiffs, on behalf of themselves and the Participating Class Members and the Aggrieved Employees, and Defendant have executed this Agreement as of the dates below.

Date: 8/22/2025

PLAINTIFF ANTHONY CORRALES

DocuSigned by:
32BE60A3FFE54BA...

Anthony Corrales

Date: _____

PLAINTIFF ANGELA DIANE PONCE

_____
Angela Diane Ponce

Date: _____

PLAINTIFF PRISCILLA ARELLANO

_____
Priscilla Arellano

Date: _____

PLAINTIFF NATALIE ESPARZA

_____
Natalie Esparza

Date: _____

DEFENDANT BG RETAIL, LLC

_____
Thomas Burke
Authorized Agent for
Defendant BG Retail, LLC

Docusign Envelope ID: 8549CA3E-7B38-426C-BF82-C18A52BAC94E

7.17. Operative Complaint Drafts

Class Counsel agrees to provide Counsel for Defendant with drafts of the Operative Complaint at least five (5) calendar days in advance of filing to allow Counsel for Defendant a reasonable time to review and comment on it.

7.18. Attorneys' Fees and Costs

Except as otherwise specifically provided for herein, each party shall bear their own attorneys' fees, costs, and expenses, taxable or otherwise, incurred by them or arising out of the Action and shall not seek reimbursement thereof from any other party in this Agreement. In any suit or court action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover their reasonable attorneys' fees and costs.

WHEREFORE, Plaintiffs, on behalf of themselves and the Participating Class Members and the Aggrieved Employees, and Defendant have executed this Agreement as of the dates below.

Date: _____

PLAINTIFF ANTHONY CORRALES

_____
Anthony Corrales

Date: 9/3/2025

PLAINTIFF ANGELA DIANE PONCE

DocuSigned by:
_____
8EA0FD42B4944E4...
Angela Diane Ponce

Date: _____

PLAINTIFF PRISCILLA ARELLANO

_____
Priscilla Arellano

Date: _____

PLAINTIFF NATALIE ESPARZA

_____
Natalie Esparza

Date: _____

DEFENDANT BG RETAIL, LLC

_____
Thomas Burke
Authorized Agent for
Defendant BG Retail, LLC

Docusign Envelope ID: 5C8EA4C7-7D0D-4AEA-97AC-2D35181C7324

7.17. Operative Complaint Drafts

Class Counsel agrees to provide Counsel for Defendant with drafts of the Operative Complaint at least five (5) calendar days in advance of filing to allow Counsel for Defendant a reasonable time to review and comment on it.

7.18. Attorneys' Fees and Costs

Except as otherwise specifically provided for herein, each party shall bear their own attorneys' fees, costs, and expenses, taxable or otherwise, incurred by them or arising out of the Action and shall not seek reimbursement thereof from any other party in this Agreement. In any suit or court action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover their reasonable attorneys' fees and costs.

WHEREFORE, Plaintiffs, on behalf of themselves and the Participating Class Members and the Aggrieved Employees, and Defendant have executed this Agreement as of the dates below.

Date: _____

PLAINTIFF ANTHONY CORRALES

_____
Anthony Corrales

Date: _____

PLAINTIFF ANGELA DIANE PONCE

_____
Angela Diane Ponce

Date: 8/25/2025

PLAINTIFF PRISCILLA ARELLANO

Signed by:
_____
B9546470BF114AF...
Priscilla Arellano

Date: _____

PLAINTIFF NATALIE ESPARZA

_____
Natalie Esparza

Date: _____

DEFENDANT BG RETAIL, LLC

_____
Thomas Burke
Authorized Agent for
Defendant BG Retail, LLC

Docusign Envelope ID: EE082E00-F757-47C7-A251-0E475A43E739

7.17. Operative Complaint Drafts

Class Counsel agrees to provide Counsel for Defendant with drafts of the Operative Complaint at least five (5) calendar days in advance of filing to allow Counsel for Defendant a reasonable time to review and comment on it.

7.18. Attorneys' Fees and Costs

Except as otherwise specifically provided for herein, each party shall bear their own attorneys' fees, costs, and expenses, taxable or otherwise, incurred by them or arising out of the Action and shall not seek reimbursement thereof from any other party in this Agreement. In any suit or court action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover their reasonable attorneys' fees and costs.

WHEREFORE, Plaintiffs, on behalf of themselves and the Participating Class Members and the Aggrieved Employees, and Defendant have executed this Agreement as of the dates below.

Date: _____

PLAINTIFF ANTHONY CORRALES

_____
Anthony Corrales

Date: _____

PLAINTIFF ANGELA DIANE PONCE

_____
Angela Diane Ponce

Date: _____

PLAINTIFF PRISCILLA ARELLANO

_____
Priscilla Arellano

Date: 9/3/2025

PLAINTIFF NATALIE ESPARZA

Signed by:
_____
8DE345823A474F7...
Natalie Esparza

Date: _____

DEFENDANT BG RETAIL, LLC

_____
Thomas Burke
Authorized Agent for
Defendant BG Retail, LLC

Docusign Envelope ID: DFEEECFE-70F2-4C38-8064-508EB880387B

APPROVED AS TO FORM:

Date: September 3, 2025

D.LAW, INC.

Attorneys for Plaintiffs
ANTHONY CORRALES
ANGELA DIANA PONCE
PRISCILLA ARELLANO
NATALIE ESPARZA

Date: _____

OGLETREE, DEAKINS, NASH,
SMOAK & STEWART, P.C.

By: /s/
Michael J. Nader
Alexandra M. Asterlin
Paul M. Smith
Sona P. Patel

Attorneys for Defendant
BG RETAIL, LLC dba FAMOUS FOOTWEAR

7.17. Operative Complaint Drafts

Class Counsel agrees to provide Counsel for Defendant with drafts of the Operative Complaint at least five (5) calendar days in advance of filing to allow Counsel for Defendant a reasonable time to review and comment on it.

7.18. Attorneys' Fees and Costs

Except as otherwise specifically provided for herein, each party shall bear their own attorneys' fees, costs, and expenses, taxable or otherwise, incurred by them or arising out of the Action and shall not seek reimbursement thereof from any other party in this Agreement. In any suit or court action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover their reasonable attorneys' fees and costs.

WHEREFORE, Plaintiffs, on behalf of themselves and the Participating Class Members and the Aggrieved Employees, and Defendant have executed this Agreement as of the dates below.

Date: _____

PLAINTIFF ANTHONY CORRALES

_____
Anthony Corrales

Date: _____

PLAINTIFF ANGELA DIANE PONCE

_____
Angela Diane Ponce

Date: _____

PLAINTIFF PRISCILLA ARELLANO

_____
Priscilla Arellano

Date: _____

PLAINTIFF NATALIE ESPARZA

_____
Natalie Esparza

Date: 9/2/25

DEFENDANT BG RETAIL, LLC

_____
Thomas Burke
Authorized Agent for
Defendant BG Retail, LLC

APPROVED AS TO FORM:

Date: _____

D.LAW, INC.

_____
Attorneys for Plaintiffs
ANTHONY CORRALES
ANGELA DIANA PONCE
PRISCILLA ARELLANO
NATALIE ESPARZA

Date: 9/3/2025

OGLETREE, DEAKINS, NASH,
SMOAK & STEWART, P.C.

By: /s/
Michael J. Nader
Alexandra M. Asterlin
Paul M. Smith
Sona P. Patel

Attorneys for Defendant
BG RETAIL, LLC dba FAMOUS FOOTWEAR

AMENDMENT TO CLASS AND REPRESENTATIVE ACTION SETTLEMENT AGREEMENT AND RELEASE

This shall serve as an amendment to the Class and Representative Action Settlement Agreement and Release ("Settlement Agreement" or "Settlement") entered into in September 2025 between Plaintiffs Anthony Corrales, Angela Diane Ponce, Priscilla Arellano, and Natalie Esparza (collectively "Plaintiffs"), on behalf of themselves and all other similarly situated Settlement Class Members and as representatives of the State of California and Aggrieved Employees, as defined in the Settlement Agreement, and Defendant BG Retail, LLC dba Famous Footwear ("Defendant) (Plaintiffs and Defendant are collectively referred to as "the Parties"). All other settlement terms remain the same.

The following provisions of the Settlement Agreement are hereby amended and superseded as follows:

- **3.4 Release for All Participating Class Members**

Upon the Effective Date and full funding of the Gross Settlement Amount, all Participating Class Members (regardless of whether they are Aggrieved Employees), on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims under any state, local, or federal law or administrative agency that were or could have been alleged based on the allegations, claims, and causes of action in the Operative Complaint of the Action or which reasonably could have been alleged based on the facts contained in the Operative Complaint of the Action, including all of the following claims for relief: (a) failure to pay all time worked at the correct rate of pay (including minimum wages, regular wages, overtime wages, and premiums for meal periods and rest periods); (b) failure to pay minimum wages (including reporting time pay, on-call pay, and standby pay); (c) failure to pay wages and overtime under Labor Code § 510 (including double time wages, reporting time pay, on-call pay, and standby pay); (d) meal-period liability under Labor Code § 226.7 (including late, short, and missed first meal periods as well as late, short, and missed second meal periods as well as failure to pay meal period premiums at the regular rate of pay); (e) rest-break liability under Labor Code § 226.7 (including late, short, and missed rest period, as well as failure to pay rest period premiums at the regular rate of pay and failure to allow

employees to leave the premises); (f) violation of Labor Code § 226(a) for improper or inaccurate wage statements; (g) failure to keep required payroll records under Labor Code §§1174, 1174.5, and 1198 (including failure to maintain accurate time and wage records); (h) reimbursement of necessary expenditures under Labor Code § 2802 (including but not limited to cell phone usage and costs for vehicle maintenance, mileage, and fuel, personal protective equipment such as knee pads, gloves, and a fan); (i) penalties pursuant to Labor Code § 203 as well as all claims for untimely payment of final wages and associated waiting time penalties under sections 201 to 203 of the Labor Code; (j) violation of Business & Professions Code § 17200 *et seq.* and (k) any other claims or penalties under the wage and hour laws pleaded in the Operative Complaint of the Action or which reasonably could have been alleged based on the facts pleaded in the Operative Complaint of the Action; and (l) all statutory penalties, liquidated damages, punitive damages, interest, attorneys' fees and costs, expenses, restitution, and equitable and declaratory relief based upon the allegations asserted in the Operative Complaint of the Action; and other amounts recoverable under said causes of action under California and federal law, to the extent permissible, including but not limited to the California Labor Code as to the facts alleged in the Operative Complaint of the Action, the applicable Wage Orders as to the facts alleged in the proposed complaint, and the California Unfair Competition Law ("Released Class Claims"). The Released Class Claims will take effect whether or not a Participating Class Member receives his or her Individual Settlement Payment or cashes and deposits any Individual Settlement Payment check. 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 Settlement Period.

- **3.6. Release for All Aggrieved Employees**

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs, as representatives of the State of California and on behalf of the LWDA and all Aggrieved Employees, fully and finally release the Released Parties from all claims for statutory PAGA

civil penalties that could have been sought by the LWDA for the violations alleged in Plaintiffs' Amended PAGA Letter, including all claims for PAGA penalties that were alleged or which reasonably could have been alleged based on the facts alleged in the Amended PAGA Letter to the LWDA that accrued during the PAGA Period, including (a) failure to pay all time worked at the correct rate of pay (including minimum wages, regular wages, overtime wages, and premiums for meal periods and rest periods); (b) failure to pay minimum wages (including reporting time pay, on-call pay, and standby pay); (c) failure to pay wages and overtime under Labor Code § 510 (including double time wages, reporting time pay, on-call pay, and standby pay); (d) meal-period liability under Labor Code § 226.7 (including late, short, and missed first meal periods as well as late, short, and missed second meal periods as well as failure to pay meal period premiums at the regular rate of pay); (e) rest-break liability under Labor Code § 226.7 (including late, short, and missed rest period, as well as failure to pay rest period premiums at the regular rate of pay and failure to allow employees to leave the premises); (f) violation of Labor Code § 226(a) for improper or inaccurate wage statements; (g) failure to keep required payroll records under Labor Code §§1174, 1174.5, and 1198 (including failure to maintain accurate time and wage records; (h) reimbursement of necessary expenditures under Labor Code § 2802 (including but not limited to cell phone usage and costs for vehicle maintenance, mileage, and fuel, personal protective equipment such as knee pads, gloves, and a fan); (i) penalties pursuant to Labor Code § 203 as well as all claims for untimely payment of wages under Labor Code 204 and associated waiting time penalties under sections 201 to 203 of the Labor Code; (j) failure to provide suitable seating under Labor Code § 1198 and Paragraph 14 of the applicable IWC Wage Orders; (k) failure to provide one day's rest from seven under Labor Code §§ 551, 552, 556, and 558; and (l) civil penalties under PAGA ("Released PAGA Claims"). The Released PAGA Claims will take effect whether or not an Aggrieved Employee receives his or her Individual PAGA Payment or cashes and deposits any Individual PAGA Payment check.

APPROVED AS TO FORM:

Date: April 10, 2026

D.LAW, INC.

Attorneys for Plaintiffs
ANTHONY CORRALES
ANGELA DIANA PONCE
PRISCILLA ARELLANO
NATALIE ESPARZA

Date: April 10, 2026

OGLETREE, DEAKINS, NASH,
SMOAK & STEWART, P.C.

By:
Michael J. Nader
Alexandra M. Asterlin
Paul M. Smith
Sona P. Patel

Attorneys for Defendant
BG RETAIL, LLC dba FAMOUS FOOTWEAR

EXHIBIT A

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

Anthony Corrales et al. v. BG Retail, LLC dba Famous Footwear
Sacramento County Superior Court of California – Case No. 23CV012350

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 Defendant BG Retail, LLC dba Famous Footwear ("Defendant" is used herein as a placeholder) for alleged wage and hour violations. The Action was filed by former BG Retail, LLC dba Famous Footwear employees Angela Diana Ponce, Anthony Corrales, Priscilla Arellano, and Natalie Esparza (collectively referred to as "Plaintiffs") and seeks payment of (1) back wages and other relief for a class of all current and former individuals who were employed as non-exempt employees with Defendant within the State of California as store managers, assistant store managers, sales leads, associate store managers, key holders, and managers in training, at any time during the period from December 1, 2022 to April 21, 2025 ("Settlement Class Members"); and (2) penalties under the California Private Attorney General Act ("PAGA") for all current and former individuals who were employed as non-exempt employees within the State of California as store managers, assistant store managers, sales leads, associate store managers, key holders, and managers in training, at any time during the period from January 9, 2023 to April 21, 2025 ("Aggrieved Employees").

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendant to fund Individual Settlement 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 Settlement 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 Defendant's records, you are not eligible for an Individual PAGA Payment under the Settlement because you did not work during the PAGA Settlement Period.)

The above estimates are based on Defendant's records showing that **you worked _____ workweeks as a non-exempt employee** during the Class Settlement Period of December 1, 2022 to April 21, 2025 and **you worked _____ pay periods as a non-exempt employee** during the PAGA Settlement Period of January 9, 2023 to April 21, 2025. If you believe that you worked more workweeks or pay periods during either respective period, you can submit a dispute 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. Please 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. The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Settlement Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

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

1. 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 Settlement 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 (discussed below).
You Can Opt-out of the Class Settlement but not the PAGA Settlement **The Opt-out Deadline is _____, 2026**	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Settlement Administrator a written Request for Exclusion. Once excluded, you will be a non-participating class member and no longer eligible for an Individual Settlement Payment. Non-participating class members cannot object to any portion of the proposed Settlement. See Section **7** on pg. 9 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 PAGA Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement **Written Objections Must be Submitted by _____, 2026**	All Settlement 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 Settlement Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section **8** on pgs. 9 and 10 of this Notice.

You Can Participate in the _____, 2026 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 **9** on pgs. 10 and 11 of this Notice.
You Can Dispute the Calculation of Your Workweeks and/or Pay Periods Written Disputes Must be Submitted by _____, 2026	The amount of your Individual Settlement Payment and PAGA Payment (if any) depends on how many Workweeks (and pay periods, if any), you worked as a non-exempt employee during the Class Settlement Period and how many Pay Periods you worked as a non-exempt employee during the PAGA Settlement Period. The number of Class Settlement Period Workweeks and number of PAGA Settlement Period Pay Periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with this number, you must challenge it by _____, 2026. See Section **5** on pgs. 8 and 9 of this Notice.

2. WHAT IS THE ACTION ABOUT?

Plaintiffs are former BG Retail, LLC dba Famous Footwear employees. The Action alleges Defendant violated California labor laws by: (1) Failing to Pay Minimum Wages; (2) Failing to Pay All Overtime Wages at the Legal Overtime Pay Rate; (3) Failing To Provide All Meal Periods; (4) Failing to Authorize and Permit All Rest Periods; (5) Derivatively Failing To Timely Furnish Accurate Itemized Wage Statements; (6) Failing to Keep Required Payroll Records Under Labor Code Sections 1174 and 1174.5; (7) Failing to Fully Reimburse Work Expenses; (8) Violations of Labor Code Section 203; and (9) Unfair Business Practices. Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code sections 2698, et seq.) based on the same eight claims above as well as (1) Failure to Provide Suitable Seating under Labor Code § 1198 and Paragraph 14 of the applicable IWC Wage Orders; (2) Failure to Provide One Day's Rest from Seven under Labor Code §§ 551, 552, 556, and 558; and (3) Untimely Payment Of Wages under Labor Code 204. Plaintiffs are represented by the attorneys of D.Law, Inc. in the Action ("Class Counsel").

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

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

So far, the Court has made no determination whether Defendant or Plaintiffs are correct on the merits.

In the meantime, Plaintiffs and Defendant hired an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case), rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. Plaintiffs and Defendant 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, Defendant does not admit any violations or concede the merit of any claims.

The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Defendant Will Pay $500,000.00 as the Gross Settlement Amount ("Gross Settlement"). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Settlement Administrator of the Settlement. The Settlement Administrator will use the Gross Settlement to pay the Individual Settlement Payments, Individual PAGA Payments, Class Representative Service Awards, General Release Settlement Payments, Class Counsel's attorney's fees and expenses, the Settlement Administrator's Costs, and penalties to be paid to the LWDA. Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement, not more than 30 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.

2. 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:

    A. Up to one-third of the Gross Settlement to Class Counsel for attorneys' fees (currently estimated at $166,666.67) and reimbursement for their litigation expenses, which is currently estimated to be $25,000.00. To date, Class Counsel have worked and incurred expenses on the Action without payment.

    B. Up to $5,000.00 to each Plaintiff as a Class Representative Service for filing the Action, working with Class Counsel and representing the Settlement Class, and up to $5,000.00 to each Plaintiff as a General Release Settlement Payment for the general release of their individual claims. The Class Representative Service Award and General Release Settlement Payment will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Settlement Payment and any Individual PAGA Payment.

    C. Up to $16,500.00 to the Settlement Administrator for services administering the Settlement.

    D. Up to $40,000.00 for the PAGA Payment, allocated 75% to the LWDA

PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees, based on their PAGA Settlement Period Pay Periods.

3. Net Settlement Amount Distributed to Participating Class Members. After making the above deductions in amounts approved by the Court, the Settlement Administrator will distribute the rest of the Gross Settlement (the "Net Settlement Amount") by making Individual Settlement Payments to Participating Class Members based on their Class Settlement Period Workweeks.

4. Taxes Owed on Payments to Participating Class Members. Plaintiffs and Defendant are asking the Court to approve an allocation of 20% of each Individual Settlement Payment to taxable wages ("Wage Portion") and 80% to interest and penalties ("Non-Wage Portion."). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms by the Settlement Administrator. 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 Settlement Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Settlement 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.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Settlement 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 monies represented by your check are sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. 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 Settlement Administrator in writing, not later than _____, 2026, that you wish to opt-out. The easiest way to notify the Settlement Administrator is to send a written and signed Request for Exclusion by the_____, 2026, otherwise known as the Response Deadline. The Request for Exclusion should be a letter from a Settlement Class Member or his/her representative setting forth a Settlement Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Settlement Class Members (i.e., non-participating class members) will not receive Individual Settlement Payments, but will preserve their rights to personally pursue the Released Class Claims against Defendant.

   You cannot opt-out of the PAGA portion of the Settlement. 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 the Released PAGA Claims against Defendant.

7. 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 Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Settlement Class Members will not release any claims against Defendant.

8. Settlement Administrator. The Court has appointed a neutral company, Apex Class Action, LLC (the "Settlement Administrator") to send this Notice, calculate and make payments, and process Settlement Class Members' Requests for Exclusion. The Administrator will also decide Settlement Class Member Disputes over Workweeks and/or Pay Periods, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement.

   The Settlement Administrator's contact information is contained in **Section 10** on page 11 of this Notice.

9. 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 bound by the following release:

   > Upon the Effective Date and full funding of the Gross Settlement Amount, all Participating Class Members (regardless of whether they are Aggrieved Employees), on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Defendant and its past, present, and/or future direct and/or indirect, owners, officers, directors, members, managers, employees, attorneys, agents, affiliates, representatives, insurers, investors, shareholders, parent companies, subsidiaries, divisions, predecessors, successors, assigns, and joint venturers (collectively, the "Released Parties") from all claims under any state, local, or federal law or administrative agency that were or could have been alleged based on the allegations, claims, and causes of action in the Operative Complaint of the Action or which reasonably could have been alleged based on the facts contained in the Operative Complaint of the Action, including all of the following claims for relief: (a) failure to pay all time worked at the correct rate of pay (including minimum wages, regular wages, overtime wages, and premiums for meal periods and rest periods); (b) failure to pay minimum wages (including reporting time pay, on-call pay, and standby pay); (c) failure to pay wages and overtime under Labor Code § 510 (including double time wages, reporting time pay, on-call pay, and standby pay); (d) meal-period liability under Labor Code § 226.7 (including late, short, and missed first meal periods as well as late, short, and missed second meal periods as well as failure to pay meal period premiums at the regular rate of pay); (e) rest-break liability under Labor Code § 226.7 (including late, short, and

missed rest period, as well as failure to pay rest period premiums at the regular rate of pay and failure to allow employees to leave the premises); (f) violation of Labor Code § 226(a) for improper or inaccurate wage statements; (g) failure to keep required payroll records under Labor Code §§1174, 1174.5, and 1198 (including failure to maintain accurate time and wage records); (h) reimbursement of necessary expenditures under Labor Code § 2802 (including but not limited to cell phone usage and costs for vehicle maintenance, mileage, and fuel, personal protective equipment such as knee pads, gloves, and a fan); (i) penalties pursuant to Labor Code § 203 as well as all claims for untimely payment of final wages and associated waiting time penalties under sections 201 to 203 of the Labor Code; (j) violation of Business & Professions Code § 17200 *et seq.* and (k) any other claims or penalties under the wage and hour laws pleaded in the Operative Complaint of the Action or which reasonably could have been alleged based on the facts pleaded in the Operative Complaint of the Action; and (l) all statutory penalties, liquidated damages, punitive damages, interest, attorneys' fees and costs, expenses, restitution, and equitable and declaratory relief based upon the allegations asserted in the Operative Complaint of the Action; and other amounts recoverable under said causes of action under California and federal law, to the extent permissible, including but not limited to the California Labor Code as to the facts alleged in the Operative Complaint of the Action, the applicable Wage Orders as to the facts alleged in the proposed complaint, and the California Unfair Competition Law ("Released Class Claims"). The Released Class Claims will take effect whether or not a Participating Class Member receives his or her Individual Settlement Payment or cashes and deposits any Individual Settlement Payment check. 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 Settlement Period.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendant has paid the Gross Settlement, all Aggrieved Employees will be bound by the following release:

    Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs, as representatives of the State of California and on behalf of the LWDA and all Aggrieved Employees, fully and finally release the Released Parties from all claims for statutory PAGA civil penalties that could have been sought by the LWDA for the violations alleged in Plaintiffs' Amended PAGA Letter, including all claims for PAGA penalties that were alleged or which reasonably could have been alleged based on the facts alleged in the Amended PAGA Letter to the LWDA that accrued during the PAGA Period, including (a) failure to pay all time worked at the correct rate of pay (including minimum wages, regular wages, overtime wages, and premiums for meal periods and rest periods); (b) failure to pay minimum wages (including reporting time pay, on-call pay, and standby pay); (c) failure to pay wages and overtime under Labor Code § 510 (including double time wages, reporting time pay, on-call pay, and standby pay); (d) meal-period

liability under Labor Code § 226.7 (including late, short, and missed first meal periods as well as late, short, and missed second meal periods as well as failure to pay meal period premiums at the regular rate of pay); (e) rest-break liability under Labor Code § 226.7 (including late, short, and missed rest period, as well as failure to pay rest period premiums at the regular rate of pay and failure to allow employees to leave the premises); (f) violation of Labor Code § 226(a) for improper or inaccurate wage statements; (g) failure to keep required payroll records under Labor Code §§1174, 1174.5, and 1198 (including failure to maintain accurate time and wage records; (h) reimbursement of necessary expenditures under Labor Code § 2802 (including but not limited to cell phone usage and costs for vehicle maintenance, mileage, and fuel, personal protective equipment such as knee pads, gloves, and a fan); (i) penalties pursuant to Labor Code § 203 as well as all claims for untimely payment of wages under Labor Code 204 and associated waiting time penalties under sections 201 to 203 of the Labor Code; (j) failure to provide suitable seating under Labor Code § 1198 and Paragraph 14 of the applicable IWC Wage Orders; (k) failure to provide one day's rest from seven under Labor Code §§ 551, 552, 556, and 558; and (l) civil penalties under PAGA ("Released PAGA Claims"). The Released PAGA Claims will take effect whether or not an Aggrieved Employee receives his or her Individual PAGA Payment or cashes and deposits any Individual PAGA Payment check.

5. HOW WILL THE SETTLEMENT ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Settlement Payments. The Settlement Administrator will calculate Individual Settlement 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.

2. Individual PAGA Payments. The Settlement Administrator will calculate Individual PAGA Payments by (a) dividing $10,000.00 (25%) by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Settlement Period Pay Periods worked by each individual Aggrieved Employee.

3. Workweek/Pay Period Disputes. The number of Class Workweeks you worked during the Class Settlement Period and the number of PAGA Pay Periods you worked during the PAGA Settlement Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until _____, 2026, to dispute the number of Workweeks and/or Pay Periods credited to you. You can submit your dispute by signing and sending a letter to the Settlement Administrator via mail or fax. **Section 10** on page 11 of this Notice has the Settlement Administrator's contact information.

   You need to support your dispute by sending copies of pay stubs or other records. The Settlement 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 Settlement 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 Settlement Administrator's decision is final. You cannot appeal or otherwise challenge its final decision.

6. HOW WILL I GET PAID?

1. Participating Class Members. The Settlement Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Settlement Class Member who does not opt-out), including those who also qualify as Aggrieved Employees. The single check will combine the Individual Settlement Payment and the Individual PAGA Payment.

2. Non-Participating Class Members. The Settlement 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 Settlement Administrator as soon as possible. Section 10 on page 11 of this Notice has the Settlement Administrator's contact information.

7. 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 Settlement Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Anthony Corrales et al. v. BG Retail, LLC dba Famous Footwear*, and include your identifying information (full name, address, and telephone number). You must make the request yourself. If someone else makes the request on your behalf, it will not be valid. **Your Request for Exclusion must be postmarked by _____, 2026, or it will be invalid.** Section 10 on page 11 of the Notice has the Settlement Administrator's contact information.

8. 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 (2) a Motion for Fees, Litigation Expenses and Service Awards 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 Award and General Release Settlement Payment. Upon reasonable request, Class Counsel (whose contact information is in Section 10 on pg. 11 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Settlement Administrator's Website

_____ or the Court's website https://prod-portal-sacramento-ca.journaltech.com/public-portal/.

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 Awards 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. **Your written objection must be postmarked by _____, 2026**. If your written objection is not postmarked by _____, 2026, then you will have been deemed to have waived any written objections. You must tell the Settlement Administrator in writing your full name and address, what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Anthony Corrales et al. v. BG Retail, LLC dba Famous Footwear* and include your name and current address, state whether you intend to appear at the Final Approval Hearing, and sign the objection. Section 10 on pg. 11 of this Notice has the Settlement 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 (or using other methods of personal appearance permitted by the Court). 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 9 of this Notice (immediately below) for specifics regarding the Final Approval Hearing. If you fail to present an objection in person at the Final Approval Hearing on _____, 2026, then you will have been deemed to have waived any objections at the Final Approval Hearing.

9. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but do not have to, attend the Final Approval Hearing on _____, at 9:00 a.m. in Department 8A of the Sacramento Superior Court, located at 500 G Street, Sacramento, CA 95814. You may also attend the Final Approval Hearing via Zoom or by phone. To join by Zoom, use the following Zoom link: https://saccourt-ca-gov.zoomgov.com/my/sscdept23. To join by phone, call (833) 568-8864 (ID: 16108301121). 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 Settlement 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) personally. 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 Settlement Administrator's website _____ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

10. 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 Settlement Administrator's website at _____.

You can also contact Class Counsel or the Settlement Administrator using the contact information listed below, or consult the Superior Court website by going to https://prod-portal-sacramento-ca.journaltech.com/public-portal/ and entering the Case Number for the Action, Case No. 23CV012350.

Class Counsel:
Roman Shkodnik, Esq.
Amanda Fazio, Esq.
Enoch J. Kim, Esq.
Arianna N. Razi, Esq.
D.LAW, INC.
250 N Madison Avenue., 2nd Floor
Pasadena, CA 91101
Telephone: (818) 962-6465
Email: r.shkodnik@d.law
a.fazio@d.law
e.kim@d.law
a.razi@d.law

Settlement Administrator:
Apex Class Action, LLC
[Mailing Address]
[Telephone]
[Fax Number]

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

11. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Settlement 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 at https://ucpi.sco.ca.gov/ or (916) 445-5361 for instructions on how to retrieve the funds.

12. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT 2

D.Law

880 E. Broadway
Glendale, CA 91205

(818) 962-6465
(818) 962-6469

November 28, 2023

VIA ON-LINE SUBMISSION ONLY TO:
(copy by certified mail to all Defendants)

Private Attorneys General Act
Attn. PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

Caleres, Inc. dba Caleres
8300 Maryland Ave
St. Louis, MO 63105
Certified Mail Tracking Number: 9414 8112 0620 4834 4075 92

1505 Corporation CSC-Lawyers Incorporating Service
Agent for Service of Process for Caleres, Inc. dba Caleres
Becky DeGeorge
2710 Gateway Oaks Drive
Sacramento, CA 95833
Certified Mail Tracking Number: 9414 8112 0620 4834 6179 53

Famous Footwear
3681 Truxel Rd #4
Sacramento, CA 95834
Certified Mail Tracking Number: 9414 8112 0620 4834 6188 06

Famous Footwear
1872 Arden Way
Sacramento, CA 95815
Certified Mail Tracking Number: 9414 8112 0620 4834 6433 58

Re: Labor Code § 2699 Penalties-PAGA Notice Letter to LWDA
Corrales v. Caleres, Inc. dba Famous Footwear

Gentlepersons:

This office represents Plaintiff Anthony Corrales ("Plaintiff") and other similarly situated aggrieved non-exempt employees (collectively "Aggrieved Employees") for violations of California Labor Code §§ 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.4, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq*, and 2802; provisions of the Industrial Welfare Commission (IWC) Wage Order(s); and California Business & Professions Code § 17200 et seq.

The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et. seq.* ("the Act"). Plaintiff would like to bring a representative action, pursuant to the Act, on behalf of himself and all other similarly situated Aggrieved Employees, and the State of California, against Defendants, Caleres, Inc. dba Caleres, Famous Footwear, and DOES 1 through 50 inclusive (all defendants being referred to herein collectively as "Defendants").

Additionally, this correspondence will serve to satisfy the notice requirements under the Act, along with a copy of Plaintiff's Class Action Complaint, which is attached to this Notice letter. The Complaint is being concurrently filed in Sacramento Superior Court and will be assigned a local case number. The Complaint allegations and claims are incorporated into this Notice Letter.

We also set forth herein the facts and theories and the California Labor Code violations which Defendants engaged in with respect to Plaintiff and all of their Aggrieved Employees in California. The attached Class Action Complaint provides the details of Plaintiff's class-wide claims and claims under the Act, and the applicable California law governing them. It, along with this Notice Letter, addresses in detail numerous violations that subject Defendants to civil and statutory penalties under the Act.

Relevant Facts

Plaintiff was employed by Defendants as a non-exempt, hourly employee based out of Defendants' location in California. Aggrieved Employees include all non-exempt hourly employees of Defendants within the state of California from one year prior to the date of this letter and continuing through the present. Plaintiff and Aggrieved Employees are collectively referred to herein as "Aggrieved Employees." Aggrieved Employees consistently worked at Defendants' behest and under their control and subject to their policies and practices without being paid all wages due. Plaintiff is also informed and believes that there are other Aggrieved Employees employed by Defendants as non-exempt employees within the state of California within the statutory time period who suffer or suffered from the same wage and hour violations outlined below.

Defendants had a common policy and/or practice of failing to pay Aggrieved Employees minimum wages for all hours worked. Aggrieved Employees were either not paid by Defendants for all hours worked or were not paid at the appropriate minimum, regular and overtime rates. Plaintiff also contends that Defendants failed to pay Aggrieved Employees all wages due and owing, including by requiring off the clock work, failing to provide meal and rest breaks, failing to furnish accurate wage statements, failing to timely pay wages including final wages, failing to maintain accurate records, and failing to reimburse for necessary business expenses all in violation of various provisions of the California Labor Code and applicable Wage Orders.

Defendants' timekeeping system for the beginning and ending times of their work shifts including requiring Aggrieved Employees to use Defendants' time clock. The timekeeping system thus permitted Defendants to record clock in and clock out times to the real-time minute. However, rather than paying Plaintiff and the Aggrieved Employees for all hours and minutes

they actually worked, Defendants followed a uniform policy and practice of rounding all time entries to the quarter hour (*i.e.*, to the nearest 15 minute time increment), and generally did so to the detriment of the Employees, and these unlawfully rounded time entries were inputted into Defendants' payroll system from which wage statements and payroll checks were created.

During the course of Aggrieved Employees' employment with Defendants, they were not paid all wages they were owed, including for all work performed resulting in off the clock work. Aggrieved Employees were required to perform off the clock work which they were not compensated for despite being subject to Defendants' control. Specifically, Plaintiff and Aggrieved Employees were required to work off the clock by performing "pre-shift" duties including, unlocking the door, opening the vault, and disarming the alarm and "post-shift" duties including cleaning the store every shift, and having bag checks performed after clocking out for the day each shift. Additionally on several occasions, Plaintiff and Aggrieved Employees were required to attend meetings off the clock. Moreover, on several occasions, Plaintiff and Aggrieved Employees were required to drive regional managers for which Plaintiff and Employees were never compensated. Additionally, Plaintiff and Employees were required to go to work on days they were not scheduled, due to security incidents for which Plaintiff and Employees were not compensated. Furthermore, the uncompensated time included the time Aggrieved Employees worked off-the-clock during meal periods as a result of Defendants' high demand. Moreover, Aggrieved Employees were required to carry walkie-talkies during work and respond to request during meal breaks.

By implementing policies, programs, practices, procedures and protocols which resulted in off the clock work, Defendants' willful actions resulted in the systematic underpayment of wages and overtime pay to Aggrieved Employees For example, the off the clock work addressed above caused Aggrieved Employees to begin receiving overtime pay later than they should have.

As a result of the above described requirements to work off the clock, and the other wage violations they endured at Defendants' hands, Aggrieved Employees were not properly paid all wages earned and all wages owed to them by Defendants, including when working more than eight (8) hours in any given day and/or more than forty (40) hours in any given week. Moreover, the uncompensated time, discussed above, was worked by Aggrieved Employees in excess of 8 hours a day and/or 40 hours a week, further entitling Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code and applicable Wage Orders.

Defendants had a common policy and/or practice of denying Plaintiff and Aggrieved Employees proper meal periods. Specifically, Plaintiff and Aggrieved Employees were required to work through their meal periods which they were consistently denied. Additionally, Defendants' policy of requiring the Aggrieved Employees to keep their walkie-talkies on throughout their meal breaks and to respond to any emergencies or other situations that needed to be addressed prevented Aggrieved Employees from taking their breaks. Also, what meal periods Plaintiff and Aggrieved Employees did take, were consistently less than 30 minutes, and taken well after their fifth consecutive hour of work, all in violation of Labor Code and applicable Wage Orders. Similarly, Plaintiff and Aggrieved Employees were required to work in excess of ten (10) hours a

day, without ever receiving a second meal compliant period, all in violation of Labor Code and applicable Wage Orders.

Defendants have consistently failed to provide Plaintiff and Aggrieved Employees with paid rest breaks of not less than 10 minutes for every work period of 4 or more consecutive hours, as required by Labor Code. Specifically, Plaintiff and Aggrieved Employees who often worked at least twelve (12) hours in a day were entitled to at least two breaks but were required to work through their periods which they were continuously denied. Additionally, Defendants' policy of requiring the Aggrieved Employees to keep their walkie talkies on throughout their rest breaks and to respond to any emergencies or other situations that needed to be addressed prevented Aggrieved Employees from taking their breaks

Defendants also consistently failed to issue accurate itemized wage statements as required by Labor Code § 226(a). Specifically, the wage statements given to Aggrieved Employees failed to accurately account for unpaid wages and overtime because their actual hours worked were under-reported due to off the clock work. Additionally, the wage statements given to Aggrieved Employees failed to accurately account for premium pay for deficiently provided meal periods and rest breaks.

Additionally, Defendants failed to pay Aggrieved Employees all wages owed, as detailed above, at the time of their termination or within seventy-two (72) hours of their resignation, as required under Labor Code § 203. Specifically, Aggrieved Employees were not paid all regular and overtime wages because Defendants failed to pay for all hours worked, required off the clock work to the detriment of Aggrieved Employees. Additionally, Defendants failed to pay premium wages owed for unprovided meal periods and rest periods. Defendants' failure to pay said wages within the required time was willful within the meaning of Labor Code § 203.

Defendants also failed to reimburse Aggrieved Employees for necessary business expenses. Defendants have regularly required Plaintiff to incur business expenses in the course of performing their required job duties for Defendants including cell phone usage and costs for vehicle maintenance, mileage, and fuel**.** Upon information and belief, Aggrieved Employees incurred similar costs. These expenses incurred by Plaintiff and Aggrieved Employees were necessary and required of them in performing their assigned job duties, but Defendants failed to reimburse Plaintiff and Aggrieved Employees for all such necessary expenditures, thus entitling them to reimbursement according to proof as required under Labor Code § 2802 and the applicable provisions of the IWC Wage Orders.

PAGA Claim Details, Legal Bases for Violations and Penalties:
As addressed above and in further detail in the attached Class Action Complaint, Plaintiff and the Aggrieved Employees complain of the following violations committed by Defendants:

Failure to Pay Minimum Wages
Defendants violated the law by failing to pay Aggrieved Employees minimum wages for all hours worked. California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage"

states, "[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful." The applicable minimum wages fixed by the commission for work during the relevant period is found in the Wage Orders.

In California, employees must be paid at least the then applicable state minimum wage for all hours worked, including under Labor Code § 1197, IWC Wage Order MW-2014, and paragraphs 2(K), 2(S), and 4(A)-4(C) of the applicable IWC Wage Orders. Paragraph 2(H) of the applicable IWC Wage Orders 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." Additionally, pursuant to Labor Code § 204, other applicable laws and regulations, and public policy, an employer must timely pay its employees for all hours worked. Defendants failed to do so.

California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states: "The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful." The minimum wage provisions of California Labor Code are enforceable by private civil action pursuant to Labor Code § 1194(a) which states: "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 attorney's fees and costs of suit."

As described in California Labor Code §§ 1185 and 1194.2, any action for wages incorporates the applicable Wage Order of the California Industrial Welfare Commission. Also, California Labor Code §§ 1194, 1197, 1197.1 and those Industrial Welfare Commission Wage Orders entitle non-exempt employees to an amount equal to or greater than the minimum wage for all hours worked. All hours must be paid at the statutory or agreed rate, or at the minimum rate in the absence of a contractually agreed upon one. The underpayment of wages to Aggrieved Employees is and has been a direct consequence of Defendants' unlawful compensation policies and practices, which applied uniformly to the Aggrieved Employees working at locations and work sites throughout California.

Defendants thus failed to pay Employees minimum wages they were owed, including by their consistent policy of failing to pay Employees for all hours worked. Specifically, Plaintiff and Aggrieved Employees were required to work off the clock by performing "pre-shift" duties including, unlocking the door, opening the vault, and disarming the alarm and "post-shift" duties including cleaning the store every shift, and having bag checks performed after clocking out for the day each shift. Additionally on several occasions, Plaintiff and Aggrieved Employees were required to attend meetings off the clock. Moreover, on several occasions, Plaintiff and Aggrieved Employees were required to drive regional managers for which Plaintiff and Employees were never compensated. Additionally, Plaintiff and Employees were required to go to work on days they were not scheduled, due to security incidents for which Plaintiff and

Employees were not compensated. Furthermore, the uncompensated time included the time Employees worked off-the-clock during meal periods as a result of Defendants' high demand. Moreover, Employees were required to carry walkie-talkies during work and respond to request during meal breaks.

Additionally, Defendant also had a common policy and/or practice of understating the hours worked by Plaintiff and Aggrieved Employees because Defendant would round down Plaintiff and Aggrieved Employees time to the nearest 15 minute time increment order to avoid paying them for all the hours worked.

During the relevant time period, Defendants thus regularly failed to pay minimum wages to Plaintiff and the Aggrieved Employees, including by requiring systematic off the clock work. Defendants' uniform pattern of unlawful wage and hour practices manifested, without limitation, applicable to the Aggrieved Employees as a whole, as a result of implementing a uniform policy and practice that denied accurate compensation to Plaintiff and the other Aggrieved Employees as to minimum wage pay.

In light of the forgoing, the Aggrieved Employees seek to recover wages and penalties. Aggrieved Employees are entitled to recover the unpaid minimum wages (including double minimum wages), liquidated damages in an amount equal to the minimum wages unlawfully unpaid, interest thereon and reasonable attorney's fees and costs of suit pursuant to California Labor Code § 1194(a). Plaintiff and the other Aggrieved Employees further request recovery of all unpaid wages, according to proof, interest, statutory costs, as well as the assessment of any statutory and civil penalties against Defendants, in a sum as provided by the California Labor Code and/or other applicable statutes, including pursuant to Labor Code § 558, and Wage Order provisions. To the extent minimum wage compensation is determined to be owed to the Aggrieved Employees who have terminated their employment, Defendants' conduct also violates Labor Code §§ 201 and/or 202, and therefore these individuals are also be entitled to waiting time penalties under California Labor Code § 203, which penalties are sought herein on behalf of these Aggrieved Employees. Defendants' failure to timely pay all wages owed also violated Labor Code § 204 and resulted in violations of Labor Code § 226 because they resulted in the issuance of inaccurate wage statements. Defendants' conduct as alleged herein was willful, intentional and not in good faith. Further, Plaintiff and other Aggrieved Employees are entitled to seek and recover statutory costs.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Pay Wages and Overtime in Violation of Labor Code § 510

Defendants violated the law by failing to pay Aggrieved Employees earned wages and overtime. Specifically, Plaintiff and Aggrieved Employees were required to work off the clock by performing "pre-shift" duties including, unlocking the door, opening the vault, and disarming the

alarm and "post-shift" duties including cleaning the store every shift, and having bag checks performed after clocking out for the day each shift. Additionally on several occasions, Plaintiff and Aggrieved Employees were required attend meetings off the clock. Moreover, on several occasions, Plaintiff and Aggrieved Employees were required to drive regional managers for which Plaintiff and Employees were never compensated. Additionally, Plaintiff and Employees were required to go to work on days they were not scheduled, due to security incidents for which Plaintiff and Employees were not compensated. Furthermore, the uncompensated time included the time Aggrieved Employees worked off-the-clock during meal periods as a result of Defendants' high demand. Moreover, Employees were required to carry walkie-talkies during work and respond to request during meal breaks. As discussed above Defendants improperly rounded down to the nearest quarter hour, changed, adjusted and/or modified Plaintiff and Aggrieved Employees hours in order to avoid paying them for all hours worked. This caused Plaintiff and Aggrieved Employees to work in excess of 8 hours a day and/or 40 hours a week, further entitling Plaintiff and Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code § 510 and applicable Wage Orders.

Defendants have violated Labor Code § 1194 and Labor Code § 510 (and paragraphs 2(K), 2(S), 3(A) and 4(A)-4(B) of the relevant orders of the Industrial Welfare Commission) by failing to pay Employees: (a) time and one-half their regular hourly rates for hours worked in excess of eight hours in a workday or in excess of forty hours in any workweek or for the first eight hours worked on the seventh day of work in any one workweek; or (b) twice their regular rate of pay for hours worked in excess of twelve hours in any one day or for hours worked in excess of eight hours on any seventh day of work in a workweek. Defendants had a consistent policy of not paying Employees wages for all hours worked, including by requiring off the clock work as addressed above and by under-reporting actual hours worked. With work shifts generally requiring eight hours or more of work on a given day, this unpaid off the clock work resulted in Aggrieved Employees working past eight hours on a shift or more than forty hours in a week, which required that they be paid at the correct overtime rate of 1.5 times their regular rate.

When considered in combination with the other wage violations addressed above, Aggrieved Employees were not properly compensated, nor were they paid overtime and double time rates for hours worked in excess of eight hours or twelve hours in a given day, and/or forty hours in a given week. Defendants did not make available to Employees a reasonable protocol for correcting time records when Employees worked overtime hours or to fix incorrect time entries or those that Defendants unlawfully under-recorded to the Employee's detriment. Defendants have also violated these provisions by requiring Plaintiff and other similarly situated Aggrieved Employees to work through meal periods when they were required to be clocked out or to otherwise work off the clock to complete their daily job duties.

In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to the California Labor Code, including Labor Code §§ 204, 510, 558, 1174, 1194, 1198, 1199, and the relevant paragraphs of the IWC Wage Orders, including paragraphs 2(K), 2(S), 3(A), 4, and 20. Defendants are liable to Employees for the full amount of all their unpaid wages and overtime compensation, with interest, plus their reasonable attorneys' fees and costs, as well as

the assessment of any statutory penalties against Defendants, and each of them, and any additional sums as provided by the Labor Code and/or other statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Meal-Period Liability Under Labor Code § 226.7 and 512 Penalties

Defendants have regularly required Aggrieved Employees to work shifts in excess of five hours without providing them with uninterrupted meal periods of not less than thirty minutes as required under Labor Code §§ 226.7, 512, and paragraph 11 of the applicable Wage Orders. Specifically, Aggrieved Employees were forced to incur shortened meal periods, were provided with breaks late and well after the fifth hour of work, could not be relieved to take breaks, or were required to remain on-duty at all times and were unable to take off-duty breaks or were otherwise not provided with the opportunity to take required breaks. Additionally, Defendants' policy of requiring the Aggrieved Employees to keep their walkie talkies on throughout their meal breaks and to respond to any emergencies or other situations that needed to be addressed prevented Aggrieved Employees from taking their breaks.

On the occasions when Aggrieved Employees were provided with a meal period, it was often untimely or interrupted by having to respond to work demands or remain under Defendant's control, in violation of the Labor Code and applicable Wage Orders. Defendants also failed to pay Aggrieved Employees "premium pay," i.e. one hour of wages at each Aggrieved Employee's effective regular rate of pay, for each meal period that Defendants failed to provide or deficiently provided, including by miscalculating any premium payments they did make. Therefore, pursuant to Labor Code § 226.7 and paragraphs 11 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each meal period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2) and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Rest-Break Liability Under Labor Code § 226.7 and Penalties

Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than ten minutes for every work period of four or more consecutive hours, as required under Labor Code § 226.7. Specifically, Defendants provided rest periods untimely or for shortened durations, and Defendants' policies and procedures required Aggrieved Employees to remain under Defendants' control during breaks to respond to job requirements. Also, under *Augustus v.*

ABM Security Services, Inc., 2 Cal.5th 257, 260 (2016) "[D]uring required rest periods, employers must relieve their employees of all duties and relinquish any control over how employees spend their break time." Defendants' did not allow Aggrieved Employees to leave the Defendants' location and this is directly at odds with *Augustus*, as it "tethered [employees] by time and policy to a particular location" and therefore fails to relieve employees of all work duties and employer control during rest periods. *Augustus*, 2 Cal.5th at 269. Additionally, Defendants' policy of requiring the Aggrieved Employees to keep their walkie talkies on throughout their rest breaks and to respond to any emergencies or other situations that needed to be addressed prevented Aggrieved Employees from taking their breaks.

Defendants also failed to pay Aggrieved Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided, or miscalculated any premiums paid. Therefore, pursuant to Labor Code § 226.7 and paragraphs 12 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each rest period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Reimburse for Necessary Business Expenditures in Violation of Labor Code § 2802

Defendants have consistently required Plaintiff and Aggrieved Employees to incur necessary business expenses in the execution of their duties under Defendants' employ. Specifically, Defendants have failed to reimburse Plaintiff and Aggrieved Employees for expenses necessarily incurred in the performance of their job duties for Defendants including, cell phone usage and costs for vehicle maintenance, mileage, and fuel, which were necessary to perform their duties under Defendants' employ which was used throughout the course of Plaintiff and Aggrieved Employees' duties under Defendants' employ in violation of Labor Code § 2802. Defendants systematically and uniformly failed to reimburse those lawful and necessary work related expenses or losses incurred in direct discharge of their job duties during employment with Defendants and at the direction of the Defendants pursuant to Labor Code § 2802(a) and the applicable IWC Wage Orders, paragraph 9. Defendants are liable for PAGA penalties resulting from their failure to reimburse necessary business expenses incurred by the Aggrieved Employees. Accordingly, Aggrieved Employees are entitled to recover, and hereby seek through this Representative Action, all civil and statutory penalties authorized for violations of California Labor Code §§ 1198 and 2802, and Section 9(B) of the applicable IWC Wage Orders, and Plaintiff seeks all civil and statutory penalties available and applicable under Labor Code §§ 2802 and 2699(f)(2), and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Issue Accurate and Itemized Wage Statements in Violation of Labor Code § 226

California Labor Code § 226(a) requires an employer to furnish each employee with an accurate, itemized wage statements in writing. These statements must be appended to the detachable part of the check, draft, voucher, or whatever else serves to pay the employee's wages; or, if wages are paid by cash or personal check, these statements may be given to the employee separately from the payment of wages; in either case the employer must give the employee these statements twice a month or each time wages are paid. As a direct and proximate cause of Defendants' violation of Labor Code § 226(a), Aggrieved Employees suffered injuries, including among other things confusion over whether they received all wages owed them, the difficulty and expense involved in reconstructing pay records, and forcing them to make mathematical computations to analyze whether the wages paid in fact compensated them correctly for all hours worked.

Defendants failed to provide Aggrieved Employees with accurate itemized wage statements in writing, as required by the Labor Code. Specifically, the wage statements given to Aggrieved Employees failed to accurately account for unpaid wages, overtime, premium pay for deficiently provided meal periods and rest breaks, and unlawfully received or collected wages, discussed above.

In light of these violations, and pursuant to Labor Code §§ 226(a) and 226(e) and paragraphs 4(b), 7, and 20 of the applicable IWC Wage Orders, Aggrieved Employees are entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars ($4,000). They are also entitled to an award of costs and reasonable attorneys' fees.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to provide Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code §226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars ($250) per employee per violation in an initial citation and one thousand dollars ($1,000) per employee for each violation in a subsequent citation, …"

Failure to Issue Semimonthly Payments in Violation of Labor Code § 204

In failing to pay Aggrieved Employees wages, overtime, premium pay, etc., and failing to provide them with checks and wage statements, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved

Employees, as well as the meal and rest periods taken by Aggrieved Employees, as required by Labor Code § 1174 and the applicable IWC wage orders.

Defendants also required Aggrieved Employees to work hours off the clock for which they were not compensated, including during interrupted or otherwise on-duty meal periods. Defendants also failed to pay all overtime premium wages owed for work conducted on a work shift and a workday, or miscalculate these premiums by not including all form of remuneration in the regular rate, as addressed above. Therefore, when Aggrieved Employees received wage statements and pay checks, they did not compensate all hours worked on a timely basis, resulting in Defendants' systematic failure to pay all wages owed to Aggrieved Employees twice monthly in accordance with the requirements of Labor Code § 204. Additionally, by not providing wage statements as required under section 204, Defendants systematically violated Labor Code § 204 and § 226.

Given the above described off the clock work, Plaintiff was not paid at the correct overtime rate for all hours he worked after eight hours into a shift or over forty in a work week and that he was not paid all double time owed either. Defendants' uniformly applied payroll policies and practices thus resulted in further systematic and ongoing violations of the requirements of Labor Code § 204.

In light of the foregoing, Plaintiff and Aggrieved Employees seek to recover wages and penalties, interest, fees and costs pursuant to Labor Code §§ 201.3, 210, 218.5, 558, and 1194. In failing to pay Aggrieved Employees minimum wages and overtime, and off the clock work, by not providing proper meal and rest periods, failing to provide accurate itemized wage statements, and failing to pay Employees wages upon termination or timely upon resignation, all discussed above, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants also failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as required by Labor Code § 1174 and paragraph 7 of the applicable IWC Wage Orders, entitling Aggrieved Employees to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 203, 204, 2926, 2927, and 2699.5 seeking all civil penalties available and applicable under Labor Code §§ 204, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Keep Records In Accordance With Labor Code § 1174

Labor Code § 1174 requires employers to keep records showing payroll data and the hours worked daily by and the wages paid to employees. By failing to pay Aggrieved Employees proper wages, overtime, double time, premium pay, etc., and by not recording meal period start and end times, all discussed herein, Defendants failed to maintain proper employment records in accordance with Section 1174. In light of the forgoing, Plaintiff and Aggrieved Employees seek

to recover penalties pursuant to Labor Code §§ 1174.5 and 2699, *et seq.* Defendants have also failed to comply with paragraph 7 of the applicable California IWC Wage Orders by failing to maintain time records showing when the employee begins and ends each work period, meal periods, wages earned pursuant to Labor Code § 226.7, and total daily hours worked by itemizing in wage statements all deductions from payment of wages and accurately reporting total hours worked by the Aggrieved Employees, and they are entitled to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to provide Plaintiff and the Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, 1198, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 558, 1174.5, 1199, and 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Waiting Time Penalties Pursuant to Labor Code § 203

Some Aggrieved Employees no longer work for Defendants; they either resigned or were terminated from Defendants' employ. Based on the forgoing, Defendants have had a consistent policy of failing to pay all wages earned by and owed to Aggrieved Employees at the time of their termination of within seventy-two hours of their resignation, as required by California under Labor Code § 203. In light of the forgoing, Plaintiff and Aggrieved Employees seek to recover wages and penalties pursuant to Labor Code § 558 and further specifically seek penalties and wages under Labor Code § 203, which provides that an employee's wages shall continue until paid for up to thirty (30) days from the date they were due.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199, 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Unfair Competition Under Business and Professions Code § 17200, *et seq.*

Consequently, Defendants' conduct has been and continues to be unfair, unlawful, and harmful to Plaintiff and Aggrieved Employees and the general public in violation of Business & Professions Code § 17200 et seq.

Plaintiff's PAGA Claim under Labor Code § 2698 *et seq*. and Recovery Bases:

After complying with the notice procedures of Labor Code § 2699.3 and the running of the notice period after the filing of the attached Class Action Complaint, Plaintiff will file an amended Complaint asserting, as a representative action on behalf of the California Attorney General and the other similarly Aggrieved Employees, a PAGA claim for violations of the above

addressed underlying claims and seeking penalties as specified by the applicable corresponding provisions.

Plaintiff and the Aggrieved Employees seek penalties under Labor Code §§ 2698 and 2699 for Defendants' violation of Labor Code provisions included under Labor Code § 2699.5, including the penalty provisions, without limitation, based, *inter alia*, on the following California Labor Code sections: §§ 201, 202, 203, 204, 210, 218.5, 218.6, 221, 226, 226.3, 226.4, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1198.5, 1199, 2698, 2699, *et seq*, and 2802, including as follows:

(a) Wage Claims: For failure to provide Plaintiff and the Aggrieved Employees all earned regular pay and minimum wages for regular hours worked and for failure to pay overtime premium wages for overtime hours worked under Labor Code §§ 510, 1194(a), 1197, and 1198, and paragraphs 2(K), 3(A), 4(A), 4(B) and 20 of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1198, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(b) Meal and Rest Period Claims: For failure to provide Plaintiff and the Aggrieved Employees off-duty, timely, and unpaid meal periods and failure to authorize and permit them to take off-duty, timely, and paid rest periods, or pay one hour of regular pay in lieu thereof, under Labor Code §§ 512, 1198, and 226.7, and Sections 11, 12(A), and 12(B) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable, including under paragraph 20 of the applicable IWC Wage Orders, and wages under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199 and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(c) Inaccurate Wage Statements and Failure to Maintain Records: For failure to provide Plaintiff and the Aggrieved Employees with wage statements or with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code §226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars ($250) per employee per violation in an initial citation and one thousand dollars ($1,000) per employee for each violation in a subsequent citation, …";

(d) Failure to Timely Pay Wages: For failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor

Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(e) Failure to Reimburse Business Expenses: For Defendants' failure to reimburse the necessary work related expenses incurred under Labor Code §§ 1197, 1197.1, 1198, and 2802, and Sections 2(K), 4, 9, and 20 of the applicable IWC Wage Order(s), seeking civil penalties available and applicable under Labor Code §§ 1197, 1197.1, 1198, 2802, 2699.5, and 2699(f)(2) and paragraph 9 and 20 of the IWC Wage Orders, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(f) All Alleged Violations of the IWC Wage Orders: For any above addressed violation of the applicable provisions of the IWC Wage Orders constituting violations of Labor Code § 1198 and Labor Code § 2699.5, and seeking penalties available and applicable under Labor Code § 2699(f)(2) and paragraph 20 of the applicable IWC Wage Orders, and for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

We have been constrained to initially move forward with the filing of this Complaint, alleging the causes of action discussed herein, without the PAGA claim. Thus, any action by the LWDA would not resolve the entirety of the case, and the interest of judicial economy will be served by allowing the case to proceed as a cohesive whole.

This letter and the attached Complaint therefore provide the requisite notice under the Act to the LWDA and Defendants by setting forth the specific provisions of the Labor Code and related provisions Plaintiff alleges have been violated, including the facts and relevant theories alleged against Caleres, Inc. dba Caleres, Famous Footwear and any other named Defendants and joint employers. To prevent the violations described in the Complaint and herein from occurring, and to remedy past violations, Plaintiff respectfully requests that the LWDA conduct an investigation into Defendants' employment practices in accordance with the Act.

Wherefore we request that you advise us, by certified mail within sixty days of the postmark on this letter, whether you intend to proceed with these claims or whether Plaintiff and the Aggrieved Employees should include them in an amended Labor Code § 2698 *et seq.* claim under the Act in an amended Complaint.

Regards,

DAVID YEREMIAN & ASSOCIATES, INC.

David Yeremian

Cc: Above listed Defendants Caleres, Inc. dba Caleres and Famous Footwear by Certified Mail

D.LAW, INC.
Emil Davtyan (SBN 299363)
emil@d.law
David Yeremian (SBN 226337)
d.yeremian@d.law
Roman Shkodnik (SBN 285152)
r.shkodnik@d.law
Amanda Fazio (SBN 346350)
a.fazio@d.law
880 E Broadway
Glendale, CA 91205
Telephone: (818) 962-6465
Facsimile: (818) 962-6469

Attorneys for Plaintiff ANTHONY CORRALES,
on behalf of himself and others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

ANTHONY CORRALES, on behalf of himself and others similarly situated, Plaintiff, vs. CALERES, INC. dba CALERES, a New York corporation; FAMOUS FOOTWEAR, an entity of unknown form; and DOES 1 through 50, inclusive, Defendants.	Case No. CLASS ACTION Assigned for All Purposes To: Hon. Dept.: **CLASS ACTION COMPLAINT FOR:** 1. Failure to Pay Minimum Wages; 2. Failure to Pay Wages and Overtime Under Labor Code § 510; 3. Meal-Period Liability Under Labor Code § 226.7; 4. Rest-Break Liability Under Labor Code § 226.7; 5. Violation of Labor Code § 226(a); 6. Failure to Keep Required Payroll Records Under Labor Code §§ 1174 and 1174.5; 7. Reimbursement of Necessary Expenditures Under Labor Code § 2802; 8. Penalties Pursuant to Labor Code § 203; and 9. Violation of Business & Professions Code § 17200 *et seq*. **DEMAND FOR JURY TRIAL**

Plaintiff ANTHONY CORRALES, (hereinafter "Plaintiff") on behalf of himself and all others similarly situated (collectively, "Employees"; individually, "Employee") complains of Defendants, and each of them, as follows:

INTRODUCTION

1. Plaintiff brings this action on behalf of himself and all similarly situated current and former employees within the State of California who, at any time four (4) years prior to the filing of this lawsuit, are or were employed as non-exempt hourly employees by Defendants CALERES, INC. dba CALERES, a New York corporation; FAMOUS FOOTWEAR, an entity of unknown form, and DOES 1 through 50 (all defendants being collectively referred to herein as "Defendants"). Plaintiff alleges that Defendants, and each of them, violated various provisions of the California Labor Code, relevant orders of the Industrial Welfare Commission (IWC), and California Business & Professions Code, and seeks redress.

2. Plaintiff is a resident of California and during the time period relevant to this Complaint was employed by Defendants as a non-exempt hourly employee within the State of California at Defendants' facilities and offices in California. Plaintiff and the other Class members worked for Defendants in Sacramento County and/or throughout California, and consistently worked at Defendants' behest without being paid all wages due. More specifically, Plaintiff and the other similarly situated Class members were employed by Defendants and worked at Defendants' offices and other facilities where the conduct giving rise to the allegations in this Class Action Complaint occurred. Upon information and belief, Plaintiff is employed by Defendants and (1) share similar job duties and responsibilities, (2) is subjected to the same policies and practices, and (3) endures similar violations at the hands of Defendants as the other Employee Class members who served in similar and related positions.

3. Defendants required Plaintiff and the Employees in the Class to perform work while remaining under Defendants' control before and after being on the clock for their daily work shift. Defendants failed to provide Plaintiff and the Class with lawful meal and rest periods, as employees were not provided with the opportunity to take timely, uninterrupted, and duty-free meal and rest periods as required by the Labor Code.

THE PARTIES

A. The Plaintiff

4. Plaintiff ANTHONY CORRALES has resided in California and during the time period relevant to this Complaint was employed by Defendants as a non-exempt hourly employee within the State of California at Defendants' facilities and offices in California.

B. The Defendants

5. Defendant CALERES, INC. dba CALERES, ("CALERES") is a New York corporation with its principle executive offices in St. Louis, Missouri, and has been listed as the employer on the wage statements issued to Plaintiff during the relevant time period. CALERES employs Plaintiff and the Class members in California, including at Defendants' offices and facilities in Sacramento, California, and throughout California and conducts business throughout California.

6. Defendant FAMOUS FOOTWEAR, is an entity of unknown form with its principle executive offices in Sacramento, California and has been listed as the employer on Plaintiff's personnel file during the relevant time period. FAMOUS FOOTWEAR. does not list a California address with the California Secretary of State, but upon information and belief, employs Plaintiff and the Class members at Defendants' offices and facilities throughout California and conducts business throughout California and in Sacramento County.

7. The true names and capacities, whether individual, corporate, associate, or whatever else, of the Defendants sued herein as Does 1 through 50, inclusive, are currently unknown to Plaintiff, who therefore sues these Defendants by such fictitious names under Code of Civil Procedure § 474. Plaintiff is informed and believes and thereon alleges that Defendants designated herein as Does 1 through 50, inclusive, and each of them, are legally responsible in some manner for the unlawful acts referred to herein. Plaintiff will seek leave of court to amend this Complaint to reflect the true names and capacities of the Defendants designated herein as Does 1 through 50 when their identities become known.

8. Plaintiff is informed and believes and thereon alleges that each Defendant acted in all respects pertinent to this action as the agent of the other Defendants, that Defendants carried

out a joint scheme, business plan, or policy in all respects pertinent hereto, and that the acts of each Defendant are legally attributable to the other Defendants. Furthermore, Defendants acted in all respects as the employers or joint employers of Employees. Defendants, and each of them, exercised control over the wages, hours or working conditions of Employees, or suffered or permitted Employees to work, or engaged, thereby creating a common law employment relationship, with Employees. Therefore, Defendants, and each of them, employed or jointly employed Employees.

JURISDICTION AND VENUE

9. This Court has jurisdiction over this Action pursuant to California Code of Civil Procedure § 410.10 and California Business & Professions Code § 17203. This Action is brought as a Class Action on behalf of similarly situated Employees of Defendants pursuant to California Code of Civil Procedure § 382. Venue as to Defendants is also proper in this judicial district pursuant to California Code of Civil Procedure § 395 *et seq*. Upon information and belief, the obligations and liabilities giving rise to this lawsuit occurred at least in part in Sacramento County and Defendants maintain and operate company offices and facilities in Sacramento County, and employ Plaintiff and other Class members in Sacramento County and throughout California.

FACTUAL BACKGROUND

10. The Employees who comprise the Class and Collective, including Plaintiff, are nonexempt employees pursuant to the applicable Wage Order of the IWC. Defendants hire Employees who work in nonexempt positions at the direction of Defendants in the State of California. Plaintiff and the Class members were either not paid by Defendants for all hours worked or were not paid at the appropriate minimum, regular and overtime rates. Specifically, Plaintiff and Employees were required to work off the clock by performing "pre-shift" duties including, unlocking the door, opening the vault, and disarming the alarm and "post-shift" duties including cleaning the store and having bag checks after clocking out for the day each shift. Additionally on several occasions, Plaintiff and Employees were required attend meetings off the clock. Moreover, on several occasions, Plaintiff and Employees were required to drive regional managers for which Plaintiff and Employees were never compensated. Additionally, Plaintiff and

Employees were required to go to work on a day they were not scheduled, due to security incidents for which Plaintiff and Employees were not compensated. Furthermore, the uncompensated time included the time Employees worked off-the-clock during meal periods as a result of Defendants' high demand. Moreover, Employees were required to carry walkie-talkies during work and respond to request during meal breaks. Plaintiff also contends that Defendants failed to pay Plaintiff and the Class members all wages due and owing, failed to provide meal and rest breaks, and failed to furnish accurate wage statements, all in violation of various provisions of the California Labor Code and applicable Wage Orders. Additionally, Defendants required the Employee Class members to clock in and out by using Defendant's fingerprint time clock. The timekeeping system thus permitted Defendants to record clock in and clock out times to the real-time minute. However, rather than paying Plaintiff and the Class members for all hours and minutes they actually worked, Defendants followed a uniform policy and practice of rounding all time entries to the nearest quarter hour (i.e., to the nearest 15 minute time increment), and generally did so to the detriment of the Employees, and these unlawfully rounded time entries were inputted into Defendants' payroll system from which wage statements and payroll checks were created. Defendants did so with the ostensible intent of paying Class members only for the hours they were scheduled to work, rather than the hours they were actually under Defendants' control. Plaintiff contends this policy is not neutral and results, over time, to the detriment of the Class members by systematically undercompensating them.

11. Defendants had also either failed to maintain timekeeping records for Plaintiff that would permit them to discover the nature and extent of Defendants' unlawful rounding or has refused to produce them to Plaintiff in response to them timely request to be provided with them.

12. Moreover, Plaintiff contends that Defendants failed to pay Plaintiff and the Class members all wages due and owing, by failing to provide meal and rest breaks, and failed to furnish accurate wage statements, all in violation of various provisions of the California Labor Code and applicable Wage Order provisions.

13. During the course of Plaintiff and the Class members' employment with Defendants, they were not paid all wages they were owed, including for all work performed and

for all overtime hours worked, and they were forced to work during their meal and rest breaks to keep labor budgets low.

14. As a matter of uniform Company policy, Plaintiff and the Class members were required to work during their meal and rest breaks which were not compensated by Defendants in violation of the California Labor Code. Plaintiff and the Class members were also not paid regular wages and overtime for the time they were required to comply with other requirements imposed upon them, which they had to complete while working through their meal and rest breaks and without compensation. As a result Plaintiff and the Class members worked shifts over eight (8) hours in a day and over forty (40) hours in a work week, but they were not paid at the appropriate overtime rate for all such hours, including by being required to perform work duties and tasks without pay and while off-the-clock and due to Defendants' unlawful rounding which caused overtime to begin accruing before it did in Defendants' timekeeping and payroll systems. As a result, Plaintiff and the Class members worked substantial overtime hours during their employment with Defendants for which they were not compensated, in violation of the California Labor Code, applicable IWC Wage Orders.

15. As a result of the above described daily work demands and pressures to work through breaks, and the other wage violations they endured at Defendants' hands, Plaintiff and the Class members were not properly paid for all wages earned and for all wages owed to them by Defendants, including when working more than eight (8) hours in any given day and/or more than forty (40) hours in any given week. As a result of Defendants' unlawful policies and practices, Plaintiff and Class members incurred overtime hours worked for which they were not adequately and completely compensated, in addition to the hours they were required to work off the clock. To the extent applicable, Defendants also failed to pay Plaintiff and the Class members at an overtime rate of 1.5 times the regular rate for the first eight hours of the seventh consecutive work day in a week and overtime payments at the rate of 2 times the regular rate for hours worked over eight (8) on the seventh consecutive work day, as required under the Labor Code, applicable IWC Wage Orders.

16. Therefore, from at least four (4) years prior to the filing of this lawsuit and

continuing to the present, Defendants had a consistent policy or practice of failing to pay Employees for all hours worked, and failing to pay minimum wage for all time worked as required by California Law.

17. Additionally from at least four (4) years prior to the filing of this lawsuit and continuing to the present, Defendants had a consistent policy or practice of failing to pay Employees overtime compensation at premium overtime rates for all hours worked in excess of eight (8) hours a day and/or forty (40) hours a week, and double-time rates for all hours worked in excess of twelve (12) hours a day, in violation of Labor Code § 510 and the corresponding sections of IWC Wage Orders.

18. Additionally, from at least four (4) years prior to the filing of this lawsuit and continuing to the present, Defendants have regularly required Employees to work shifts in excess of five (5) hours without providing them with uninterrupted meal periods of not less than thirty (30) minutes, and shifts in excess of ten (10) hours without providing them with second meal periods of not less than thirty minutes; nor did Defendants pay Employees "premium pay," i.e. one hour of wages at each Employee's effective hourly rate of pay, for each meal period that Defendants failed to provide or deficiently provided.

19. From at least four (4) years prior to the filing of this lawsuit and continuing to the present, Defendants have consistently failed to provide Employees with paid duty-free rest breaks of not less than ten (10) minutes for every work period of four (4) or more consecutive hours; nor did Defendant pay Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided at one hour of wages at each Employee's effective regular rate of pay, for each rest period that Defendants failed to provide or deficiently provided.

20. Additionally, from at least four (4) years prior to the filing of this lawsuit, and continuing to the present, Defendants have consistently failed to provide Employees with timely, accurate, and itemized wage statements as required by California wage-and-hour laws. Specifically, the wage statements given to Employees by Defendants failed to accurately account for wages, overtime, and premium pay for deficient meal periods and rest breaks, all of which Defendants knew or reasonably should have known were owed to Employees, as alleged

hereinabove. The wage statements provided to Employees were confusing and required Employees to engage in discovery and refer to outside sources to verify whether their pay was correct and potentially resulting in a miscalculation by the Employees.

21. Additionally, from at least four (4) years prior to the filing of this lawsuit, and continuing to the present, Defendants have consistently failed to provide Employees with timely, accurate, and itemized wage statements, in writing, as required by California wage-and-hour laws.

22. Additionally, from at least three (3) years prior to the filing of this lawsuit, and continuing to the present, Defendants have consistently failed to keep accurate time and wage records as required by California wage-and-hour laws.

23. From at least four (4) years prior to the filing of this lawsuit and continuing to the present, Defendants have failed to reimburse Employees for expenses necessarily incurred in the performance of their job duties for Defendants including, but not limited to cell phone usage and costs for vehicle maintenance, mileage, and fuel which were necessary to perform their duties under Defendants' employ which was used throughout the course of Employees' duties under Defendants' employ in violation of Labor Code § 2802.

24. From at least four (4) years prior to filing this lawsuit and continuing to the present, Defendants have had a consistent policy of failing to pay all wages fur and owed to Employees at the time of their termination of within seventy-two (72) hours of their resignation, as required by California wage-and-hour laws.

25. In light of the foregoing, Employees bring this action pursuant to, inter alia, Labor Code §§ 201, 202, 203, 204, 210, 218.5, 218.6, 223, 226, 226.3, 226.4, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12 1185, 1194, 1194.2, 1197, 1198, 1199, 1670.5, and 2802, and applicable provisions of the IWC Wage Orders.

26. Furthermore, pursuant to Business and Professions Code §§ 17200-17208, Employees seek injunctive relief, restitution, and disgorgement of all benefits Defendants have enjoyed from their violations of Labor Code.

CLASS ALLEGATIONS

27. Plaintiff brings this class action on behalf of himself and all others similarly

situated pursuant to Code of Civil Procedure § 382. Plaintiff seeks to represent a class defined as follows: "All individuals employed by Defendants, at any time within four (4) years of the filing of this lawsuit, as non-exempt, hourly employees within the State of California.

28. Further, plaintiff seeks to represent the following Subclasses composed of and defined as follows:

a. Subclass 1. Minimum Wages Subclass. All Class members who were not compensated for all hours worked for Defendants at the applicable minimum wage.

b. Subclass 2. Wages and Overtime Subclass. All Class members who were not compensated for all hours worked for Defendants at the required rates of pay, including for all hours worked in excess of eight in a day and/or forty in a week.

c. Subclass 3. Meal Period Subclass. All Class members who were subject to Defendants' policy and/or practice of failing to provide unpaid 30-minute uninterrupted and duty free meal periods or one hour of pay at the Employee's regular rate of pay in lieu thereof.

d. Subclass 4. Rest Break Subclass. All Class members who were subject to Defendants' policy and/or practice of failing to authorize and permit Employees to take uninterrupted, duty-free, 10-minute rest periods for every four hours worked, or major fraction thereof, and failing to pay one hour of pay at the Employee's regular rate of pay in lieu thereof.

e. Subclass 5. Wage Statement Subclass. All Class members who, within the applicable limitations period, were not provided with accurate itemized wage statements.

f. Subclass 6. Payroll Records Subclass. All Class members who were subject to Defendants' policy and/or practice of failing to keep accurate time and wage records as required by California wage-and-hour laws.

g. Subclass 7. Failure to Reimburse for Necessary Business Expenditures. All Class members who were subject to Defendants failing to reimburse for expenses necessarily incurred in the performance of Employees job duties for Defendants which were necessary to perform their duties under Defendants' employ.

h. Subclass 8. Termination Pay Subclass. All Class members who, within the applicable limitations period, either voluntarily or involuntarily separated from their employment

and were subject to Defendants' policy and/or practice of failing to timely pay wages upon termination.

i. Subclass 9. UCL Subclass. All Class members who are owed restitution as a result of Defendants' business acts and practices, to the extent such acts and practices are found to be unlawful, deceptive, and/or unfair.

29. Plaintiff reserves the right under California Rule of Court 3.765 to amend or modify the class description with greater particularity or further division into subclasses or limitation to particular issues.

30. This action has been brought and may properly be maintained as a class action under the provisions of Code of Civil Procedure § 382 because there is a well-defined community of interest in litigation and proposed class is easily ascertainable.

A. Numerosity

31. The potential members of the class as defined are so numerous that joinder of all the member of the class is impracticable. While the precise number of class member has not been determined at this time, Plaintiff is informed and believes that, during the time period relevant to this lawsuit, Defendants employed more than 100 individuals within the State of California.

32. Accounting for employee turnover during the relevant time period increases this number substantially. Plaintiff alleges that Defendants' employment records will provide information as to the number and location of all class members.

B. Commonality

33. There are questions of law and fact common to the class that predominate over any questions affecting only individual class members. These common questions of law and fact include:

a. Whether Defendants failed to pay Employees minimum wages;

b. Whether Defendants failed to pay Employees wages for all hours worked;

c. Whether Defendants failed to pay Employees overtime as required under Labor Code § 510;

d. Whether Defendants failed to pay Employees reporting time pay;

e. Whether Defendants violated Labor Code §§ 226.7 and 512, and the applicable IWC Wage Orders, by failing to provide Employees with requisite meal periods or premium pay in lieu thereof;

f. Whether Defendants violated Labor Code §§ 226.7, and the applicable IWC Wage Orders, by failing to provide Employees with requisite rest breaks or premium pay in lieu thereof;

g. Whether Defendants violated Labor Code § 226(a);

h. Whether Defendants violated Labor Code §§ 1174 and 1174.5;

i. Whether Defendants failed to keep accurate time and wage records;

j. Whether Defendants violated Labor Code §§ 201, 202, and 203 by failing to pay wages and compensation due and owing at the time of termination of employment;

k. Whether Defendants violated Business and Professions Code § 17200 *et seq*.; and

l. Whether Employees are entitled to equitable relief pursuant to Business and Professions Code § 17200 *et seq*.

C. Typicality

34. The claims of the named plaintiff are typical of those of the other Employees. Employees all sustained injuries and damages arising out of and caused by Defendant's common course of conducts in violation of statutes, as well as regulations that have the force and effect of law, as alleged herein.

D. Adequacy of Representation

35. Plaintiff will fairly and adequately represent and protect the interest of Employees. Counsel who represents Employees are experienced and competent in litigating employment class actions.

E. Superiority of Class Action

36. A class action is superior to other available means for the fair and efficient adjudication of this controversy. Individual joinder of all Employees is not practicable, and questions of law and fact common to all Employees predominate over any questions affecting only individual Employees. Each Employee has been damaged and is entitled to recovery by reason of

Defendants' illegal policies or practices of failing to compensate Employees properly.

37. Class action treatment will allow those persons similarly situated to litigate their claims in the manner that is most efficient and economical for the parties and the judicial system. Plaintiff is unaware of any difficulties in managing this case that should preclude class action.

FIRST CAUSE OF ACTION

FAILURE TO PAY MINIMUM WAGES

(Against All Defendants)

38. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

39. Defendants failed to pay Employees minimum wages for all hours worked. Defendants had a consistent policy of misstating Employees time records and failing to pay Employees for all hours worked. Specifically, Plaintiff and Employees were required to work off the clock by performing both "pre-shift" duties including, unlocking the door, opening the vault, and disarming the alarm and "post-shift" duties including cleaning the store, and having back check performed after clocking out for the day each shift. Additionally on several occasions, Plaintiff and Employees were required attend meetings off the clock. Moreover, on several occasions Plaintiff and Employees were required to drive regional managers for which Plaintiff and Employees were never compensated. Additionally, Plaintiff and Employees were required to go to work on a day they were not scheduled, due to security incidents for which Plaintiff and Employees were not compensated. Furthermore, the uncompensated time included the time Employees worked off-the-clock during meal periods as a result of Defendants' high demand. Moreover, Employees were required to carry walkie-talkies during work and respond to request during meal breaks. Moreover, Defendants did not pay Plaintiff and Employees at the applicable minimum wage for all hours worked. Additionally, Defendants rounded timekeeping entries and revisions made to timekeeping records to reflect less time worked than was actually worked and Defendants have also intentionally and improperly rounded, changed, adjusted and/or modified Employee hours, while benefiting Defendants. The caused Employees to work without compensation in excess of their eight-hour shift in a given work day. Defendants' uniform

pattern of unlawful wage and hour practices manifested, without limitation, applicable to Employees, as a result of implementing a uniform policy and practice that denied accurate compensation to Plaintiff and the other members of the Employees as to minimum wage pay.

California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states:

> The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.

40. The applicable minimum wages fixed by the commission for work during the relevant period is found in the Wage Orders. Pursuant to the Wage Orders, Employees are therefore entitled to double the minimum wage during the relevant period.

41. The minimum wage provisions of California Labor Code are enforceable by private civil action pursuant to California Labor Code § 1194(a) which states:

> 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 attorney's fees and costs of suit.

42. As described in California Labor Code §§ 1185 and 1194.2, any action for wages incorporates the applicable Wage Order of the California Industrial Welfare Commission.

California Labor Code § 1194.2 also provides for the following remedies:

> In any action under Section 1194 . . . to recover wages because of the payment of a wage less than the minimum wages fixed by an order of the commission, an employee shall be entitled to recover liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon.

43. Defendants have the ability to pay minimum wages for all time worked and have willfully refused to pay such wages with the intent to secure for Defendants a discount upon this indebtedness with the intent to annoy, harass, oppress, hinder, delay, or defraud Employees.

44. Wherefore, Employees are entitled to recover the unpaid minimum wages (including double minimum wages), liquidated damages in an amount equal to the minimum wages unlawfully unpaid, interest thereon and reasonable attorney's fees and costs of suit pursuant to California Labor Code § 1194(a).

SECOND CAUSE OF ACTION

FAILURE TO PAY WAGES AND OVERTIME UNDER LABOR CODE § 510

(Against All Defendants)

45. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

46. By their conduct, as set forth herein, Defendants violated California Labor Code § 510 (and the relevant orders of the Industrial Welfare Commission) by failing to pay Employees: (a) time and one-half their regular hourly rates for hours worked in excess of eight (8) hours in a workday or in excess of forty (40) hours in any workweek or for the first eight (8) hours worked on the seventh day of work in any one workweek; or (b) twice their regular rate of pay for hours worked in excess of twelve (12) hours in any one (1) day or for hours worked in excess of eight (8) hours on any seventh day of work in a workweek. Defendants had a consistent policy of not paying Employees wages for all hours worked including time Plaintiff and Employees were required to work off the clock by performing both "pre-shift" duties including, unlocking the door, opening the vault, and disarming the alarm and "post-shift" duties including cleaning the store, and having back check performed after clocking out for the day each shift. Additionally on several occasions, Plaintiff and Employees were required attend meetings off the clock. Moreover, on several occasions Plaintiff and Employees were required to drive regional managers for which Plaintiff and Employees were never compensated. Additionally, Plaintiff and Employees were required to go to work on a day they were not scheduled, due to security incidents for which Plaintiff and Employees were not compensated. Furthermore, the uncompensated time included the time Employees worked off-the-clock during meal periods as a result of Defendants' high demand. Moreover, Employees were required to carry walkie-talkies during work and respond to request during meal breaks. Employees regularly worked over 8 hours on a given day without receiving overtime compensation.

47. Defendants consistently improperly rounded down, changed, adjusted Employees time records, paid Employees less than their time records showed as demonstrated by Employees' timesheets which reveal little variance between the hours worked by employees on a

daily basis.

48. Employees have been damaged by these violations of California Labor Code §§ 204 and 510 (and the relevant orders of the Industrial Welfare Commission).

49. Consequently, pursuant to California Labor Code §§ 204, 510, and 1194 (and the relevant orders of the Industrial Welfare Commission), Defendants are liable to Employees for the full amount of all their unpaid wages and overtime compensation, with interest, plus their reasonable attorneys' fees and costs.

50. The forgoing uncompensated work caused Plaintiff and Employees to work in excess of eight (8), ten (10), and twelve (12) hours a day, and/or forty (40) hours a week, entitling them to overtime and double-time wages which were systemically denied.

51. Defendants' failure to pay compensation in a timely fashion also constituted a violation of California Labor Code § 204, which requires that all wages shall be paid semimonthly. From four (4) years prior to the filing of this lawsuit to the present, in direct violation of that provision of the California Labor Code, Defendants have failed to pay all wages and overtime compensation earned by Employees. Each such failure to make a timely payment of compensation to Employees constitutes a separate violation of California Labor Code § 204.

52. Employees have been damaged by these violations of California Labor Code §§ 204 and 510 (and the relevant orders of the Industrial Welfare Commission).

53. Consequently, pursuant to California Labor Code §§ 204, 510, and 1194 (and the relevant orders of the Industrial Welfare Commission), Defendants are liable to Employees for the full amount of all their unpaid wages and overtime compensation, with interest, plus their reasonable attorneys' fees and costs.

THIRD CAUSE OF ACTION

MEAL-PERIOD LIABILITY UNDER LABOR CODE § 226.7

(Against All Defendants)

54. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

55. Employees regularly worked shifts greater than five (5) hours and greater than ten

(10) hours. Pursuant to Labor Code § 512 an employer may not employ someone for a shift of more than five (5) hours without providing him or her with a meal period of not less than thirty (30) minutes or for a shift of more than ten (10) hours without providing him or her with a second meal period of not less than thirty (30) minutes.

56. Defendants failed to provide Employees with meal periods as required under the Labor Code. Employees were consistently required to work through their meal periods which they were consistently denied. Moreover, Defendants' policy of requiring the Employees to keep their walkie talkies on throughout their meal periods and to respond to any emergencies or other situations that needed to be addressed prevented Employees from taking their breaks. Employees were also required to take meal periods after working well beyond the five (5) hour shifts. Furthermore, Employees were regularly required to work for more than 10 hours in a given shift without receiving a second uninterrupted thirty (30) minute meal period as required by law.

57. Moreover, Defendants failed to compensate Employees for each meal period not provided or inadequately provided, as required under Labor Code § 226.7.

58. Therefore, pursuant to Labor Code § 226.7, Employees are entitled to damages in an amount equal to one (1) hour of wages at their effective regular rates of pay for each meal period not provided or deficiently provided, a sum to be proven at trial.

FOURTH CAUSE OF ACTION

REST-BREAK LIABILITY UNDER LABOR CODE § 226.7

(Against All Defendants)

59. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

60. Employees consistently worked consecutive four (4) hour shifts. Pursuant to the Labor Code and the applicable IWC Wage Order, Employees were entitled to paid rest breaks of not less than ten (10) minutes for each consecutive four (4) hour shift.

61. Defendants failed to provide Employees with timely rest breaks of not less than ten (10) minutes for each consecutive four (4) hour shift. Moreover, Defendants' policy of requiring the Employees to keep their cell phones on throughout their rest breaks and to respond to any

emergencies or other situations that needed to be addressed prevented Employees from taking their breaks.

62. Additionally, under *Augustus v. ABM Security Services, Inc.,* 2 Cal.5th 257, 260 (2016) "[D]uring required rest periods, employers must relieve their employees of all duties and relinquish any control over how employees spend their time." Defendants did not allow Employees to leave the Defendants' lovation and this is directly at odds with *Augustus*, as it "tethered [employees] by time and policy to a particular location" and therefore fails to relieve employees of all work duties and employer control during rest periods. *Augusts,* 2 Cal.5th at 269.

63. Moreover, Defendants did not compensate Employees with an additional hour of pay at each Employee's effective hourly rate for each day that Defendants failed to provide them with adequate rest breaks, as required under Labor Code § 226.7.

64. Therefore, pursuant to Labor Code § 226.7, Employees are entitled to damages in an amount equal to one (1) hour of wages at their effective regular rates of pay for each day worked without the required rest breaks, a sum to be proven at trial.

FIFTH CAUSE OF ACTION

VIOLATION OF LABOR CODE § 226(a)

(Against All Defendants)

65. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

66. California Labor Code § 226(a) requires an employer to furnish each of his or her employees with an accurate, itemized statement in writing showing the gross and net earnings, total hours worked, and the corresponding number of hours worked at each hourly rate; these statements must be appended to the detachable part of the check, draft, voucher, or whatever else serves to pay the employee's wages; or, if wages are paid by cash or personal check, these statements may be given to the employee separately from the payment of wages; in either case the employer must give the employee these statements twice a month or each time wages are paid.

67. Defendants failed to provide Employees with accurate itemized wage statements in writing, as required by the Labor Code. Specifically, the wage statements by Defendants failed to

accurately account for wages, overtime, and premium pay for deficient meal periods and rest breaks, and reflected the incorrect hours worked due to the rounding,all of which Defendants knew or reasonably should have known were owed to Employees, as alleged hereinabove.

68. As a direct and proximate cause of Defendants' violation of Labor Code § 226(a), Employees suffered injuries, including among other things confusion over whether they received all wages owed them, the difficulty and expense involved in reconstructing pay records, and forcing them to make mathematical computations to analyze whether the wages paid in fact compensated them correctly for all hours worked.

69. Pursuant to Labor Code §§ 226(a) and 226(e), Employees are entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars ($4,000). They are also entitled to an award of costs and reasonable attorneys' fees.

70. With respect to violations of Labor Code § 226, Labor Code § 226.3 imposes a civil penalty of two hundred and fifty dollars ($250) for initial violations for each employee for each pay period, and one thousand dollars ($1000) for each subsequent violation for each employee for each pay period.

71. Plaintiff is seeking penalties against Defendants under Labor Code § 226.3, and any other applicable statute allowing recovery of penalties as alleged herein in an amount to be shown according to proof.

SIXTH CAUSE OF ACTION

FAILURE TO KEEP REQUIRED PAYROLL RECORDS UNDER LABOR CODE § 1174 AND 1174.5

(Against All Defendants)

72. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

73. California Labor Code § 1174 requires that all employers shall keep accurate time and wage records for all employees. California Labor Code § 1174.5 further requires that any

employee suffering injury due to a willful violation of the aforementioned obligations may seek damages, including civil penalties, from the employer.

74. During the course of Plaintiff's and Employees' employment, Defendants consistently failed to maintain accurate time and wage records for Plaintiff and Employees as required by California Labor Code § 1174 by failing to pay Plaintiff and Employees proper wages, overtime, and premium pay as discussed above.

75. Accordingly, Defendants are liable for civil penalties pursuant to the California Labor Code §§ 1174.5. for the three (3) years prior to the filing of this Complaint.

SEVENTH CAUSE OF ACTION

FAILURE TO REIMBURSE FOR NECESSARY BUSINESS EXPENDITURES IN VIOLATION OF LABOR CODE § 2802

(Against All Defendants)

76. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

77. Under Labor Code § 2802(a) an employer must indemnify its employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer.

78. Employees incurred necessary expenditures in the performance of their job duties for Defendants, cell phone usage and costs for vehicle maintenance, mileage, and fuel which were necessary to perform their duties under Defendants' employ. From four (4) years prior to the original filing of this lawsuit and continuing to the present, Defendants consistently failed to reimburse Employees for these necessarily incurred business expenses.

79. As a result of the unlawful acts of Defendants, Employees have been deprived of reimbursement in amounts to be determined at trial; they are entitled to recovery of such amounts, plus interest and penalties thereon, attorneys' fees, and costs.

///

///

///

EIGHTH CAUSE OF ACTION

VIOLATION OF LABOR CODE § 203

(Against All Defendants)

80. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

81. Numerous Employees are no longer employed by Defendants; they either quit Defendants' employ or were fired therefrom.

82. Defendants failed to pay these Employees all wages due and certain at the time of termination or within seventy-two (72) hours of resignation.

83. The wages withheld from these Employees by Defendants remained due and owing for more than thirty (30) days from the date of separation of employment.

84. Defendants' failure to pay wages, as alleged above, was willful in that Defendants knew wages to be due but failed to pay them; this violation entitles these Employees to penalties under Labor Code § 203, which provides that an employee's wages shall continue until paid for up to thirty (30) days from the date they were due.

NINTH CAUSE OF ACTION

VIOLATION OF BUSINESS & PROFESSIONS CODE § 17200 ET SEQ.

(Against All Defendants)

85. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

86. Plaintiff, on behalf of himself, Employees, and the general public, brings this claim pursuant to Business & Professions Code § 17200 *et seq*. The conduct of Defendants as alleged in this Complaint has been and continues to be unfair, unlawful, and harmful to Employees and the general public. Plaintiff seeks to enforce important rights affecting the public interest within the meaning of Code of Civil Procedure § 1021.5.

87. Plaintiff is a "person" within the meaning of Business & Professions Code § 17204, has suffered injury, and therefore has standing to bring this cause of action for injunctive relief, restitution, and other appropriate equitable relief.

88. Business & Professions Code § 17200 *et seq*. prohibits unlawful and unfair business practices.

89. Wage-and-hour laws express fundamental public policies. Paying employees their wages and overtime, providing them with meal periods and rest breaks, etc., are fundamental public policies of California. Labor Code § 90.5(a) articulates the public policies of this State vigorously to enforce minimum labor standards, to ensure that employees are not required or permitted to work under substandard and unlawful conditions, and to protect law-abiding employers and their employees from competitors who lower costs to themselves by failing to comply with minimum labor standards.

90. Defendants have violated statutes and public policies. Through the conduct alleged in this Complaint Defendants have acted contrary to these public policies, have violated specific provisions of the Labor Code, and have engaged in other unlawful and unfair business practices in violation of Business & Professions Code § 17200 *et seq*.; which conduct has deprived Plaintiff, and all persons similarly situated, and all interested persons, of the rights, benefits, and privileges guaranteed to all employees under the law.

91. Defendants' conduct, as alleged hereinabove, constitutes unfair competition in violation of the Business & Professions Code § 17200 *et seq*.

92. Defendants, by engaging in the conduct herein alleged, by failing to pay wages and overtime, failing to provide meal periods and rest breaks, etc., either knew or in the exercise of reasonable care should have known that their conduct was unlawful; therefore their conduct violates the Business & Professions Code § 17200 *et seq*.

93. As a proximate result of the above-mentioned acts of Defendants, Employees have been damaged, in a sum to be proven at trial.

94. Unless restrained by this Court Defendants will continue to engage in such unlawful conduct as alleged above. Pursuant to the Business & Professions Code this Court should make such orders or judgments, including the appointment of a receiver, as may be necessary to prevent the use by Defendants or their agents or employees of any unlawful or deceptive practice prohibited by the Business & Professions Code, including but not limited to the disgorgement of

such profits as may be necessary to restore Employees to the money Defendants have unlawfully failed to pay.

RELIEF REQUESTED

WHEREFORE, Plaintiff prays for the following relief:

1. For an order certifying this action as a class action;

2. For compensatory damages in the amount of the unpaid minimum wages for work performed by Employees and unpaid overtime compensation from at least four (4) years prior to the filing of this action, as may be proven;

3. For liquidated damages in the amount equal to the unpaid minimum wage and interest thereon, from at least four (4) years prior to the filing of this action, according to proof;

4. For compensatory damages in the amount of all unpaid wages, including overtime and double-time pay, as may be proven;

5. For compensatory damages in the amount of the hourly wage made by Employees for each missed or deficient meal period where no premium pay was paid therefor from four (4) years prior to the filing of this action, as may be proven;

6. For recovery of the unpaid balance of the full amount of the reporting time pay due pursuant to the applicable Wage Order as may be proven;

7. For compensatory damages in the amount of the hourly wage made by Employees for each day requisite rest breaks were not provided or were deficiently provided where no premium pay was paid therefor from at least four (4) years prior to the filing of this action, as may be proven;

8. For penalties pursuant to Labor Code § 226(e) for Employees, as may be proven;

9. For penalties pursuant to Labor Code § 203 for all Employees who quit or were fired in an amount equal to their daily wage times thirty (30) days, as may be proven;

10. For penalties pursuant to Labor Code § 1174.5, as may be proven;

11. For restitution for unfair competition pursuant to Business & Professions Code § 17200 *et seq*., including disgorgement or profits, as may be proven;

12. For compensatory damages in the amount of all previously unreimbursed business

expenditures necessarily incurred by Employees in the discharge of their job duties for Defendants from four (4) years prior to the original filing of this action, as may be proven;

13. For an order enjoining Defendants and their agents, servants, and employees, and all persons acting under, in concert with, or for them, from acting in derogation of any rights or duties adumbrated in this Complaint;

14. For all general, special, and incidental damages as may be proven;

15. For an award of pre-judgment and post-judgment interest;

16. For an award providing for the payment of the costs of this suit;

17. For an award of attorneys' fees; and

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

DATED: November 28, 2023

D.LAW, INC.

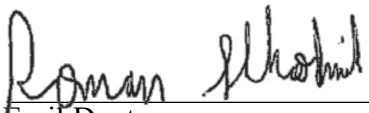
By _____
Emil Davtyan
David Yeremian
Roman Shkodnik
Amanda Fazio
Attorneys for Plaintiff
ANTHONY CORRALES
and the putative class

DEMAND FOR JURY TRIAL

Plaintiff hereby demands trial of his claims by jury to the extent authorized by law.

DATED: November 28, 2023

D.LAW, INC.

By 

Emil Davtyan
David Yeremian
Roman Shkodnik
Amanda Fazio
Attorneys for Plaintiff
ANTHONY CORRALES
and the putative class

EXHIBIT 3

D.Law

880 E. Broadway
Glendale, CA 91205

(818) 962-6465
(818) 962-6469

January 11, 2024

VIA ON-LINE SUBMISSION ONLY TO:
(copy by certified mail to all Defendants)

Private Attorneys General Act
Attn. PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

BG Retail, LLC
8300 Maryland Ave
St. Louis, MO 63105
Certified Mail Tracking Number: 9402 8112 0620 4569 3552 79

CSC-Lawyers Incorporating Service
Agent for Service of Process for BG Retail, LLC
2710 Gateway Oaks Drive
Sacramento, CA 95833
Certified Mail Tracking Number: 9402 8112 0620 4569 3526 43

Re: Labor Code § 2699 Penalties-PAGA Notice Letter to LWDA
Ponce v. BG Retail, LLC

Gentlepersons:

This office represents Plaintiff Angela Diana Ponce formerly known as Angela Diana Ramirez ("Plaintiff") and other similarly situated aggrieved non-exempt employees (collectively "Aggrieved Employees") for violations of California Labor Code §§ 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.4, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq*, and 2802; provisions of the Industrial Welfare Commission (IWC) Wage Order(s); and California Business & Professions Code § 17200 et seq.

The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et. seq.* ("the Act"). Plaintiff would like to bring a representative action, pursuant to the Act, on behalf of himself and all other similarly situated Aggrieved Employees, and the State of California, against Defendants, BG Retail, LLC, and DOES 1 through 50 inclusive (all defendants being referred to herein collectively as "Defendants").

Additionally, this correspondence will serve to satisfy the notice requirements under the Act, which is attached to this Notice letter.

We also set forth herein the facts and theories and the California Labor Code violations which Defendants engaged in with respect to Plaintiff and all of their Aggrieved Employees in California. This Notice Letter addresses in detail numerous violations that subject Defendants to civil and statutory penalties under the Act.

Relevant Facts

Plaintiff was employed by Defendants as a non-exempt, hourly employee based out of Defendants' location in California. Aggrieved Employees include all non-exempt hourly employees of Defendants within the state of California from one year prior to the date of this letter and continuing through the present. Plaintiff and Aggrieved Employees are collectively referred to herein as "Aggrieved Employees." Aggrieved Employees consistently worked at Defendants' behest and under their control and subject to their policies and practices without being paid all wages due. Plaintiff is also informed and believes that there are other Aggrieved Employees employed by Defendants as non-exempt employees within the state of California within the statutory time period who suffer or suffered from the same wage and hour violations outlined below.

Defendants had a common policy and/or practice of failing to pay Aggrieved Employees minimum wages for all hours worked. Aggrieved Employees were either not paid by Defendants for all hours worked or were not paid at the appropriate minimum, regular and overtime rates. Plaintiff also contends that Defendants failed to pay Aggrieved Employees all wages due and owing, including by requiring off the clock work, failing to provide meal and rest breaks, failing to furnish accurate wage statements, failing to timely pay wages including final wages, failing to maintain accurate records, and failing to reimburse for necessary business expenses all in violation of various provisions of the California Labor Code and applicable Wage Orders.

Defendants' timekeeping system for the beginning and ending times of their work shifts including requiring Aggrieved Employees to use Defendants' time clock. The timekeeping system thus permitted Defendants to record clock in and clock out times to the real-time minute. However, rather than paying Plaintiff and the Aggrieved Employees for all hours and minutes they actually worked, Defendants followed a uniform policy and practice of rounding all time entries to the quarter hour (*i.e.*, to the nearest 15 minute time increment), and generally did so to the detriment of the Employees, and these unlawfully rounded time entries were inputted into Defendants' payroll system from which wage statements and payroll checks were created.

During the course of Aggrieved Employees' employment with Defendants, they were not paid all wages they were owed, including for all work performed resulting in off the clock work. Aggrieved Employees were required to perform off the clock work which they were not compensated for despite being subject to Defendants' control. Specifically, Plaintiff and Aggrieved Employees were required to work off the clock by performing "pre-shift" duties including, unlocking the door, opening the vault, and disarming the alarm and "post-shift" duties including cleaning the store every shift, and having bag checks performed after clocking out for the day each shift. Additionally on several occasions, Plaintiff and Aggrieved Employees were required to attend meetings off the clock. Moreover, on several occasions, Plaintiff and

Aggrieved Employees were required to drive regional managers for which Plaintiff and Employees were never compensated. Additionally, Plaintiff and Employees were required to go to work on days they were not scheduled, due to security incidents for which Plaintiff and Employees were not compensated. Furthermore, the uncompensated time included the time Aggrieved Employees worked off-the-clock during meal periods as a result of Defendants' high demand. Moreover, Aggrieved Employees were required to carry walkie-talkies during work and respond to request during meal breaks.

Defendants also failed to pay Aggrieved Employees all wages due and owing because Defendants failed to pay on-call or standby pay. Specifically, Defendants required Aggrieved Employees to on-call or on standby. During this time, Aggrieved Employees were under Defendants' control because they had to immediately report to work. However, they were not paid on-call or standby pay. Upon information and belief, Aggrieved Employees were also required to be on-call and were not compensated for on-call or standby pay.

By implementing policies, programs, practices, procedures and protocols which resulted in off the clock work, Defendants' willful actions resulted in the systematic underpayment of wages and overtime pay to Aggrieved Employees For example, the off the clock work addressed above caused Aggrieved Employees to begin receiving overtime pay later than they should have.

As a result of the above described requirements to work off the clock, and the other wage violations they endured at Defendants' hands, Aggrieved Employees were not properly paid all wages earned and all wages owed to them by Defendants, including when working more than eight (8) hours in any given day and/or more than forty (40) hours in any given week. Moreover, the uncompensated time, discussed above, was worked by Aggrieved Employees in excess of 8 hours a day and/or 40 hours a week, further entitling Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code and applicable Wage Orders.

Defendants had a common policy and/or practice of denying Plaintiff and Aggrieved Employees proper meal periods. Specifically, Plaintiff and Aggrieved Employees were required to work through their meal periods which they were consistently denied. Additionally, Defendants' policy of requiring the Aggrieved Employees to keep their walkie-talkies on throughout their meal breaks and to respond to any emergencies or other situations that needed to be addressed prevented Aggrieved Employees from taking their breaks. Also, what meal periods Plaintiff and Aggrieved Employees did take, were consistently less than 30 minutes, and taken well after their fifth consecutive hour of work, all in violation of Labor Code and applicable Wage Orders. Similarly, Plaintiff and Aggrieved Employees were required to work in excess of ten (10) hours a day, without ever receiving a second meal compliant period, all in violation of Labor Code and applicable Wage Orders.

Defendants have consistently failed to provide Plaintiff and Aggrieved Employees with paid rest breaks of not less than 10 minutes for every work period of 4 or more consecutive hours, as required by Labor Code. Specifically, Plaintiff and Aggrieved Employees who often worked at least twelve (12) hours in a day were entitled to at least two breaks but were required to work

through their periods which they were continuously denied. Additionally, Defendants' policy of requiring the Aggrieved Employees to keep their walkie talkies on throughout their rest breaks and to respond to any emergencies or other situations that needed to be addressed prevented Aggrieved Employees from taking their breaks

Defendants also consistently failed to issue accurate itemized wage statements as required by Labor Code § 226(a). Specifically, the wage statements given to Aggrieved Employees failed to accurately account for unpaid wages and overtime because their actual hours worked were under-reported due to off the clock work. Additionally, the wage statements given to Aggrieved Employees failed to accurately account for premium pay for deficiently provided meal periods and rest breaks.

Additionally, Defendants failed to pay Aggrieved Employees all wages owed, as detailed above, at the time of their termination or within seventy-two (72) hours of their resignation, as required under Labor Code § 203. Specifically, Aggrieved Employees were not paid all regular and overtime wages because Defendants failed to pay for all hours worked, required off the clock work to the detriment of Aggrieved Employees. Additionally, Defendants failed to pay premium wages owed for unprovided meal periods and rest periods. Defendants' failure to pay said wages within the required time was willful within the meaning of Labor Code § 203.

Defendants also failed to reimburse Aggrieved Employees for necessary business expenses. Defendants have regularly required Plaintiff to incur business expenses in the course of performing their required job duties for Defendants including cell phone usage and costs for vehicle maintenance, mileage, and fuel, personal protective equipment such as knee pads, gloves, and a fan**.** Upon information and belief, Aggrieved Employees incurred similar costs. These expenses incurred by Plaintiff and Aggrieved Employees were necessary and required of them in performing their assigned job duties, but Defendants failed to reimburse Plaintiff and Aggrieved Employees for all such necessary expenditures, thus entitling them to reimbursement according to proof as required under Labor Code § 2802 and the applicable provisions of the IWC Wage Orders.

Defendants also failed to provide suitable seating to Aggrieved Employees. The operations at Defendant's facilities allowed for the presence and use of a stool or seat by Aggrieved Employees during the performance of their work duties. The nature of the effected job positions can reasonably be accomplished while using a seat or stool. However, Defendant failed to provide Aggrieved Employees suitable seating when the nature of these employees' work reasonably permitted sitting.

PAGA Claim Details, Legal Bases for Violations and Penalties:
As addressed above, Plaintiff and the Aggrieved Employees complain of the following violations committed by Defendants:

///
///

Failure to Pay Minimum Wages

Defendants violated the law by failing to pay Aggrieved Employees minimum wages for all hours worked. California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states, "[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful." The applicable minimum wages fixed by the commission for work during the relevant period is found in the Wage Orders.

In California, employees must be paid at least the then applicable state minimum wage for all hours worked, including under Labor Code § 1197, IWC Wage Order MW-2014, and paragraphs 2(K), 2(S), and 4(A)-4(C) of the applicable IWC Wage Orders. Paragraph 2(H) of the applicable IWC Wage Orders 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." Additionally, pursuant to Labor Code § 204, other applicable laws and regulations, and public policy, an employer must timely pay its employees for all hours worked. Defendants failed to do so.

California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states: "The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful." The minimum wage provisions of California Labor Code are enforceable by private civil action pursuant to Labor Code § 1194(a) which states: "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 attorney's fees and costs of suit."

As described in California Labor Code §§ 1185 and 1194.2, any action for wages incorporates the applicable Wage Order of the California Industrial Welfare Commission. Also, California Labor Code §§ 1194, 1197, 1197.1 and those Industrial Welfare Commission Wage Orders entitle non-exempt employees to an amount equal to or greater than the minimum wage for all hours worked. All hours must be paid at the statutory or agreed rate, or at the minimum rate in the absence of a contractually agreed upon one. The underpayment of wages to Aggrieved Employees is and has been a direct consequence of Defendants' unlawful compensation policies and practices, which applied uniformly to the Aggrieved Employees working at locations and work sites throughout California.

Defendants thus failed to pay Employees minimum wages they were owed, including by their consistent policy of failing to pay Employees for all hours worked. Specifically, Plaintiff and Aggrieved Employees were required to work off the clock by performing "pre-shift" duties including, unlocking the door, opening the vault, and disarming the alarm and "post-shift" duties including cleaning the store every shift, and having bag checks performed after clocking out for the day each shift. Additionally on several occasions, Plaintiff and Aggrieved Employees were required to attend meetings off the clock. Moreover, on several occasions, Plaintiff and

Aggrieved Employees were required to drive regional managers for which Plaintiff and Employees were never compensated. Additionally, Plaintiff and Employees were required to go to work on days they were not scheduled, due to security incidents for which Plaintiff and Employees were not compensated. Furthermore, the uncompensated time included the time Employees worked off-the-clock during meal periods as a result of Defendants' high demand. Moreover, Employees were required to carry walkie-talkies during work and respond to request during meal breaks. Defendants also failed to pay Aggrieved Employees all wages due and owing because Defendants failed to pay on-call or standby pay. Specifically, Defendants required Aggrieved Employees to on-call or on standby. During this time, Aggrieved Employees were under Defendants' control because they had to immediately report to work. However, they were not paid on-call or standby pay. Upon information and belief, Aggrieved Employees were also required to be on-call and were not compensated for on-call or standby pay.

Additionally, Defendant also had a common policy and/or practice of understating the hours worked by Plaintiff and Aggrieved Employees because Defendant would round down Plaintiff and Aggrieved Employees time to the nearest 15 minute time increment order to avoid paying them for all the hours worked.

During the relevant time period, Defendants thus regularly failed to pay minimum wages to Plaintiff and the Aggrieved Employees, including by requiring systematic off the clock work. Defendants' uniform pattern of unlawful wage and hour practices manifested, without limitation, applicable to the Aggrieved Employees as a whole, as a result of implementing a uniform policy and practice that denied accurate compensation to Plaintiff and the other Aggrieved Employees as to minimum wage pay.

In light of the forgoing, the Aggrieved Employees seek to recover wages and penalties. Aggrieved Employees are entitled to recover the unpaid minimum wages (including double minimum wages), liquidated damages in an amount equal to the minimum wages unlawfully unpaid, interest thereon and reasonable attorney's fees and costs of suit pursuant to California Labor Code § 1194(a). Plaintiff and the other Aggrieved Employees further request recovery of all unpaid wages, according to proof, interest, statutory costs, as well as the assessment of any statutory and civil penalties against Defendants, in a sum as provided by the California Labor Code and/or other applicable statutes, including pursuant to Labor Code § 558, and Wage Order provisions. To the extent minimum wage compensation is determined to be owed to the Aggrieved Employees who have terminated their employment, Defendants' conduct also violates Labor Code §§ 201 and/or 202, and therefore these individuals are also be entitled to waiting time penalties under California Labor Code § 203, which penalties are sought herein on behalf of these Aggrieved Employees. Defendants' failure to timely pay all wages owed also violated Labor Code § 204 and resulted in violations of Labor Code § 226 because they resulted in the issuance of inaccurate wage statements. Defendants' conduct as alleged herein was willful, intentional and not in good faith. Further, Plaintiff and other Aggrieved Employees are entitled to seek and recover statutory costs.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Pay Wages and Overtime in Violation of Labor Code § 510

Defendants violated the law by failing to pay Aggrieved Employees earned wages and overtime. Specifically, Plaintiff and Aggrieved Employees were required to work off the clock by performing "pre-shift" duties including, unlocking the door, opening the vault, and disarming the alarm and "post-shift" duties including cleaning the store every shift, and having bag checks performed after clocking out for the day each shift. Additionally on several occasions, Plaintiff and Aggrieved Employees were required attend meetings off the clock. Moreover, on several occasions, Plaintiff and Aggrieved Employees were required to drive regional managers for which Plaintiff and Employees were never compensated. Additionally, Plaintiff and Employees were required to go to work on days they were not scheduled, due to security incidents for which Plaintiff and Employees were not compensated. Furthermore, the uncompensated time included the time Aggrieved Employees worked off-the-clock during meal periods as a result of Defendants' high demand. Moreover, Employees were required to carry walkie-talkies during work and respond to request during meal breaks. As discussed above Defendants improperly rounded down to the nearest quarter hour, changed, adjusted and/or modified Plaintiff and Aggrieved Employees hours in order to avoid paying them for all hours worked. This caused Plaintiff and Aggrieved Employees to work in excess of 8 hours a day and/or 40 hours a week, further entitling Plaintiff and Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code § 510 and applicable Wage Orders.

Defendants have violated Labor Code § 1194 and Labor Code § 510 (and paragraphs 2(K), 2(S), 3(A) and 4(A)-4(B) of the relevant orders of the Industrial Welfare Commission) by failing to pay Employees: (a) time and one-half their regular hourly rates for hours worked in excess of eight hours in a workday or in excess of forty hours in any workweek or for the first eight hours worked on the seventh day of work in any one workweek; or (b) twice their regular rate of pay for hours worked in excess of twelve hours in any one day or for hours worked in excess of eight hours on any seventh day of work in a workweek. Defendants had a consistent policy of not paying Employees wages for all hours worked, including by requiring off the clock work as addressed above and by under-reporting actual hours worked. With work shifts generally requiring eight hours or more of work on a given day, this unpaid off the clock work resulted in Aggrieved Employees working past eight hours on a shift or more than forty hours in a week, which required that they be paid at the correct overtime rate of 1.5 times their regular rate.

When considered in combination with the other wage violations addressed above, Aggrieved Employees were not properly compensated, nor were they paid overtime and double time rates for hours worked in excess of eight hours or twelve hours in a given day, and/or forty hours in a given week. Defendants did not make available to Employees a reasonable protocol for correcting time records when Employees worked overtime hours or to fix incorrect time entries or those that Defendants unlawfully under-recorded to the Employee's detriment. Defendants

have also violated these provisions by requiring Plaintiff and other similarly situated Aggrieved Employees to work through meal periods when they were required to be clocked out or to otherwise work off the clock to complete their daily job duties.

In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to the California Labor Code, including Labor Code §§ 204, 510, 558, 1174, 1194, 1198, 1199, and the relevant paragraphs of the IWC Wage Orders, including paragraphs 2(K), 2(S), 3(A), 4, and 20. Defendants are liable to Employees for the full amount of all their unpaid wages and overtime compensation, with interest, plus their reasonable attorneys' fees and costs, as well as the assessment of any statutory penalties against Defendants, and each of them, and any additional sums as provided by the Labor Code and/or other statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Meal-Period Liability Under Labor Code § 226.7 and 512 Penalties

Defendants have regularly required Aggrieved Employees to work shifts in excess of five hours without providing them with uninterrupted meal periods of not less than thirty minutes as required under Labor Code §§ 226.7, 512, and paragraph 11 of the applicable Wage Orders. Specifically, Aggrieved Employees were forced to incur shortened meal periods, were provided with breaks late and well after the fifth hour of work, could not be relieved to take breaks, or were required to remain on-duty at all times and were unable to take off-duty breaks or were otherwise not provided with the opportunity to take required breaks. Additionally, Defendants' policy of requiring the Aggrieved Employees to keep their walkie talkies on throughout their meal breaks and to respond to any emergencies or other situations that needed to be addressed prevented Aggrieved Employees from taking their breaks.

On the occasions when Aggrieved Employees were provided with a meal period, it was often untimely or interrupted by having to respond to work demands or remain under Defendant's control, in violation of the Labor Code and applicable Wage Orders. Defendants also failed to pay Aggrieved Employees "premium pay," i.e. one hour of wages at each Aggrieved Employee's effective regular rate of pay, for each meal period that Defendants failed to provide or deficiently provided, including by miscalculating any premium payments they did make. Therefore, pursuant to Labor Code § 226.7 and paragraphs 11 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each meal period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558,

including sections 558(a)(1)-(3), 1199, 2699(f)(2) and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Rest-Break Liability Under Labor Code § 226.7 and Penalties

Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than ten minutes for every work period of four or more consecutive hours, as required under Labor Code § 226.7. Specifically, Defendants provided rest periods untimely or for shortened durations, and Defendants' policies and procedures required Aggrieved Employees to remain under Defendants' control during breaks to respond to job requirements. Also, under *Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257, 260 (2016) "[D]uring required rest periods, employers must relieve their employees of all duties and relinquish any control over how employees spend their break time." Defendants' did not allow Aggrieved Employees to leave the Defendants' location and this is directly at odds with *Augustus*, as it "tethered [employees] by time and policy to a particular location" and therefore fails to relieve employees of all work duties and employer control during rest periods. *Augustus*, 2 Cal.5th at 269. Additionally, Defendants' policy of requiring the Aggrieved Employees to keep their walkie talkies on throughout their rest breaks and to respond to any emergencies or other situations that needed to be addressed prevented Aggrieved Employees from taking their breaks.

Defendants also failed to pay Aggrieved Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided, or miscalculated any premiums paid. Therefore, pursuant to Labor Code § 226.7 and paragraphs 12 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each rest period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Reimburse for Necessary Business Expenditures in Violation of Labor Code § 2802

Defendants have consistently required Plaintiff and Aggrieved Employees to incur necessary business expenses in the execution of their duties under Defendants' employ. Specifically, Defendants have failed to reimburse Plaintiff and Aggrieved Employees for expenses necessarily incurred in the performance of their job duties for Defendants including, cell phone usage and costs for vehicle maintenance, mileage, and fuel, personal protective equipment such as knee pads, gloves, and a fan which were necessary to perform their duties under Defendants' employ which was used throughout the course of Plaintiff and Aggrieved Employees' duties under Defendants' employ in violation of Labor Code § 2802. Defendants systematically and uniformly failed to reimburse those lawful and necessary work related expenses or losses

incurred in direct discharge of their job duties during employment with Defendants and at the direction of the Defendants pursuant to Labor Code § 2802(a) and the applicable IWC Wage Orders, paragraph 9. Defendants are liable for PAGA penalties resulting from their failure to reimburse necessary business expenses incurred by the Aggrieved Employees. Accordingly, Aggrieved Employees are entitled to recover, and hereby seek through this Representative Action, all civil and statutory penalties authorized for violations of California Labor Code §§ 1198 and 2802, and Section 9(B) of the applicable IWC Wage Orders, and Plaintiff seeks all civil and statutory penalties available and applicable under Labor Code §§ 2802 and 2699(f)(2), and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Issue Accurate and Itemized Wage Statements in Violation of Labor Code § 226

California Labor Code § 226(a) requires an employer to furnish each employee with an accurate, itemized wage statements in writing. These statements must be appended to the detachable part of the check, draft, voucher, or whatever else serves to pay the employee's wages; or, if wages are paid by cash or personal check, these statements may be given to the employee separately from the payment of wages; in either case the employer must give the employee these statements twice a month or each time wages are paid. As a direct and proximate cause of Defendants' violation of Labor Code § 226(a), Aggrieved Employees suffered injuries, including among other things confusion over whether they received all wages owed them, the difficulty and expense involved in reconstructing pay records, and forcing them to make mathematical computations to analyze whether the wages paid in fact compensated them correctly for all hours worked.

Defendants failed to provide Aggrieved Employees with accurate itemized wage statements in writing, as required by the Labor Code. Specifically, the wage statements given to Aggrieved Employees failed to accurately account for unpaid wages, overtime, premium pay for deficiently provided meal periods and rest breaks, and unlawfully received or collected wages, discussed above.

In light of these violations, and pursuant to Labor Code §§ 226(a) and 226(e) and paragraphs 4(b), 7, and 20 of the applicable IWC Wage Orders, Aggrieved Employees are entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars ($4,000). They are also entitled to an award of costs and reasonable attorneys' fees.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to provide Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil

penalties under Labor Code §226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars ($250) per employee per violation in an initial citation and one thousand dollars ($1,000) per employee for each violation in a subsequent citation, …"

Failure to Issue Semimonthly Payments in Violation of Labor Code § 204

In failing to pay Aggrieved Employees wages, overtime, premium pay, etc., and failing to provide them with checks and wage statements, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as well as the meal and rest periods taken by Aggrieved Employees, as required by Labor Code § 1174 and the applicable IWC wage orders.

Defendants also required Aggrieved Employees to work hours off the clock for which they were not compensated, including during interrupted or otherwise on-duty meal periods. Defendants also failed to pay all overtime premium wages owed for work conducted on a work shift and a workday, or miscalculate these premiums by not including all form of remuneration in the regular rate, as addressed above. Therefore, when Aggrieved Employees received wage statements and pay checks, they did not compensate all hours worked on a timely basis, resulting in Defendants' systematic failure to pay all wages owed to Aggrieved Employees twice monthly in accordance with the requirements of Labor Code § 204. Additionally, by not providing wage statements as required under section 204, Defendants systematically violated Labor Code § 204 and § 226.

Given the above described off the clock work, Plaintiff was not paid at the correct overtime rate for all hours he worked after eight hours into a shift or over forty in a work week and that he was not paid all double time owed either. Defendants' uniformly applied payroll policies and practices thus resulted in further systematic and ongoing violations of the requirements of Labor Code § 204.

In light of the foregoing, Plaintiff and Aggrieved Employees seek to recover wages and penalties, interest, fees and costs pursuant to Labor Code §§ 201.3, 210, 218.5, 558, and 1194. In failing to pay Aggrieved Employees minimum wages and overtime, and off the clock work, by not providing proper meal and rest periods, failing to provide accurate itemized wage statements, and failing to pay Employees wages upon termination or timely upon resignation, all discussed above, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants also failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as required by Labor Code § 1174 and paragraph 7 of the applicable IWC Wage Orders, entitling Aggrieved Employees to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 203, 204, 2926, 2927, and 2699.5 seeking all civil penalties

available and applicable under Labor Code §§ 204, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Keep Records In Accordance With Labor Code § 1174

Labor Code § 1174 requires employers to keep records showing payroll data and the hours worked daily by and the wages paid to employees. By failing to pay Aggrieved Employees proper wages, overtime, double time, premium pay, etc., and by not recording meal period start and end times, all discussed herein, Defendants failed to maintain proper employment records in accordance with Section 1174. In light of the forgoing, Plaintiff and Aggrieved Employees seek to recover penalties pursuant to Labor Code §§ 1174.5 and 2699, *et seq.* Defendants have also failed to comply with paragraph 7 of the applicable California IWC Wage Orders by failing to maintain time records showing when the employee begins and ends each work period, meal periods, wages earned pursuant to Labor Code § 226.7, and total daily hours worked by itemizing in wage statements all deductions from payment of wages and accurately reporting total hours worked by the Aggrieved Employees, and they are entitled to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to provide Plaintiff and the Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, 1198, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 558, 1174.5, 1199, and 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Waiting Time Penalties Pursuant to Labor Code § 203

Some Aggrieved Employees no longer work for Defendants; they either resigned or were terminated from Defendants' employ. Based on the forgoing, Defendants have had a consistent policy of failing to pay all wages earned by and owed to Aggrieved Employees at the time of their termination of within seventy-two hours of their resignation, as required by California under Labor Code § 203. In light of the forgoing, Plaintiff and Aggrieved Employees seek to recover wages and penalties pursuant to Labor Code § 558 and further specifically seek penalties and wages under Labor Code § 203, which provides that an employee's wages shall continue until paid for up to thirty (30) days from the date they were due.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199, 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Provide Suitable Seating

Plaintiff also alleges that operations at Defendants' facilities allowed for the presence and use of a stool or seat by the Aggrieved Employees during the performance of their work duties. The nature of the effected job positions can reasonably be accomplished while using a seat or stool. California Labor Code § 1198 requires that ". . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful." Paragraph (14)(A) of the applicable IWC Wage Orders provides that "[a]ll working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats." Paragraph 14(B) of the applicable IWC Wage Orders provides that "[w]hen 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.

In violation of the applicable sections of the California Labor Code and the requirements of the applicable IWC Wage Order, Defendants failed to provide Aggrieved Employees suitable seating when the nature of these employees' work reasonably permitted sitting. Defendants knew or should have known that Aggrieved Employees were entitled to suitable seating and/or were entitled to sit when it did not interfere with the performance of their duties, and that Defendants did not provide suitable seating and did not allow them to sit when it did not interfere with the performance of their duties.

With their conduct, Defendants have violated California Labor Code § 1198 and Paragraph 14 of the applicable IWC Wage Orders by failing to provide suitable seating to Aggrieved Employees. Defendants have violated the California Labor Code, including Section 1198, and regulations promulgated thereunder as herein alleged, including Paragraph 14 of the applicable IWC Wage Orders.

Unfair Competition Under Business and Professions Code § 17200, *et seq.*

Consequently, Defendants' conduct has been and continues to be unfair, unlawful, and harmful to Plaintiff and Aggrieved Employees and the general public in violation of Business & Professions Code § 17200 et seq.

Plaintiff's PAGA Claim under Labor Code § 2698 *et seq*. and Recovery Bases:

After complying with the notice procedures of Labor Code § 2699.3 and the running of the notice period Plaintiff will file a Complaint asserting, as a representative action on behalf of the California Attorney General and the other similarly Aggrieved Employees, a PAGA claim for violations of the above addressed underlying claims and seeking penalties as specified by the applicable corresponding provisions.

Plaintiff and the Aggrieved Employees seek penalties under Labor Code §§ 2698 and 2699 for Defendants' violation of Labor Code provisions included under Labor Code § 2699.5, including the penalty provisions, without limitation, based, *inter alia*, on the following California Labor Code sections: §§ 201, 202, 203, 204, 210, 218.5, 218.6, 221, 226, 226.3, 226.4, 226.7, 510, 512,

558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1198.5, 1199, 2698, 2699, *et seq*, and 2802, including as follows:

(a) Wage Claims: For failure to provide Plaintiff and the Aggrieved Employees all earned regular pay and minimum wages for regular hours worked and for failure to pay overtime premium wages for overtime hours worked under Labor Code §§ 510, 1194(a), 1197, and 1198, and paragraphs 2(K), 3(A), 4(A), 4(B) and 20 of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1198, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(b) Meal and Rest Period Claims: For failure to provide Plaintiff and the Aggrieved Employees off-duty, timely, and unpaid meal periods and failure to authorize and permit them to take off-duty, timely, and paid rest periods, or pay one hour of regular pay in lieu thereof, under Labor Code §§ 512, 1198, and 226.7, and Sections 11, 12(A), and 12(B) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable, including under paragraph 20 of the applicable IWC Wage Orders, and wages under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199 and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(c) Inaccurate Wage Statements and Failure to Maintain Records: For failure to provide Plaintiff and the Aggrieved Employees with wage statements or with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code §226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars ($250) per employee per violation in an initial citation and one thousand dollars ($1,000) per employee for each violation in a subsequent citation, …";

(d) Failure to Timely Pay Wages: For failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(e) Failure to Reimburse Business Expenses: For Defendants' failure to reimburse the necessary work related expenses incurred under Labor Code §§ 1197, 1197.1, 1198, and 2802, and Sections 2(K), 4, 9, and 20 of the applicable IWC Wage Order(s), seeking civil

penalties available and applicable under Labor Code §§ 1197, 1197.1, 1198, 2802, 2699.5, and 2699(f)(2) and paragraph 9 and 20 of the IWC Wage Orders, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(f) Failure to Provide Suitable Seating: For Defendants' failure to provide suitable seating under Labor Code § 1198 the applicable IWC Wage Order(s), seeking civil penalties available and applicable under Labor Code §§ 11982699.5, and 2699(f)(2) and paragraph 9 and 20 of the IWC Wage Orders, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(g) All Alleged Violations of the IWC Wage Orders: For any above addressed violation of the applicable provisions of the IWC Wage Orders constituting violations of Labor Code § 1198 and Labor Code § 2699.5, and seeking penalties available and applicable under Labor Code § 2699(f)(2) and paragraph 20 of the applicable IWC Wage Orders, and for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

We have been constrained to initially move forward with the filing of this Complaint, alleging the causes of action discussed herein, without the PAGA claim. Thus, any action by the LWDA would not resolve the entirety of the case, and the interest of judicial economy will be served by allowing the case to proceed as a cohesive whole.

This letter therefore provide the requisite notice under the Act to the LWDA and Defendants by setting forth the specific provisions of the Labor Code and related provisions Plaintiff alleges have been violated, including the facts and relevant theories alleged against BG Retail, LLC and any other named Defendants and joint employers. To prevent the violations described herein from occurring, and to remedy past violations, Plaintiff respectfully requests that the LWDA conduct an investigation into Defendants' employment practices in accordance with the Act.

Wherefore we request that you advise us, by certified mail within sixty days of the postmark on this letter, whether you intend to proceed with these claims or whether Plaintiff and the Aggrieved Employees should include them in an amended Labor Code § 2698 *et seq.* claim under the Act in a Complaint.

Regards,

DAVID YEREMIAN & ASSOCIATES, INC.

David Yeremian

Cc: Above listed Defendant BG Retail, LLC by Certified Mail

EXHIBIT 4

D.Law

880 E. Broadway
Glendale, CA 91205

(818) 962-6465
(818) 962-6469

June 12, 2024

VIA ON-LINE SUBMISSION ONLY TO:
(copy by certified mail to all Defendants)

Private Attorneys General Act
Attn. PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

BG Retail, LLC
8300 Maryland Ave
St. Louis, MO 63105
Certified Mail Tracking Number: 9414 8112 0620 4755 7364 50

CSC-Lawyers Incorporating Service
Agent for Service of Process for BG Retail, LLC
2710 Gateway Oaks Drive Suite #150N
Sacramento, CA 95833
Certified Mail Tracking Number: 9414 8112 0620 4755 7135 98

Re: Labor Code § 2699 Penalties-PAGA Notice Letter to LWDA
Ponce et al. v. BG Retail, LLC
Case Number: **LWDA-CM-1004524-24**

Gentlepersons:

This office represents Plaintiffs Angela Diana Ponce formerly known as Angela Diana Ramirez and Priscilla Arellano (collectively "Plaintiffs") and other similarly situated aggrieved non-exempt employees (collectively "Aggrieved Employees") for violations of California Labor Code §§ 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.4, 226.7, 510, 512, 551, 552, 556, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq*, and 2802; provisions of the Industrial Welfare Commission (IWC) Wage Order(s); and California Business & Professions Code § 17200 et seq.

The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et. seq.* ("the Act"). Plaintiffs would like to bring a representative action, pursuant to the Act, on behalf of himself and all other similarly situated Aggrieved Employees, and the State of California, against Defendants, BG Retail, LLC, and DOES 1 through 50 inclusive (all defendants being referred to herein collectively as "Defendants").

Additionally, this correspondence will serve to satisfy the notice requirements under the Act, which is attached to this Notice letter.

We also set forth herein the facts and theories and the California Labor Code violations which Defendants engaged in with respect to Plaintiffs and all of their Aggrieved Employees in California. This Notice Letter addresses in detail numerous violations that subject Defendants to civil and statutory penalties under the Act.

Relevant Facts

Plaintiffs were employed by Defendants as a non-exempt, hourly employee based out of Defendants' location in California. Aggrieved Employees include all non-exempt hourly employees of Defendants within the state of California from one year prior to the date of this letter and continuing through the present. Plaintiffs and Aggrieved Employees are collectively referred to herein as "Aggrieved Employees." Aggrieved Employees consistently worked at Defendants' behest and under their control and subject to their policies and practices without being paid all wages due. Plaintiffs are also informed and believes that there are other Aggrieved Employees employed by Defendants as non-exempt employees within the state of California within the statutory time period who suffer or suffered from the same wage and hour violations outlined below.

Defendants had a common policy and/or practice of failing to pay Aggrieved Employees minimum wages for all hours worked. Aggrieved Employees were either not paid by Defendants for all hours worked or were not paid at the appropriate minimum, regular and overtime rates. Plaintiffs also contend that Defendants failed to pay Aggrieved Employees all wages due and owing, including by requiring off the clock work, failing to provide meal and rest breaks, failing to furnish accurate wage statements, failing to timely pay wages including final wages, failing to maintain accurate records, and failing to reimburse for necessary business expenses all in violation of various provisions of the California Labor Code and applicable Wage Orders.

Defendants' timekeeping system for the beginning and ending times of their work shifts including requiring Aggrieved Employees to use Defendants' time clock. The timekeeping system thus permitted Defendants to record clock in and clock out times to the real-time minute. However, rather than paying Plaintiffs and the Aggrieved Employees for all hours and minutes they actually worked, Defendants followed a uniform policy and practice of rounding all time entries to the quarter hour (*i.e.*, to the nearest 15 minute time increment), and generally did so to the detriment of the Employees, and these unlawfully rounded time entries were inputted into Defendants' payroll system from which wage statements and payroll checks were created.

During the course of Aggrieved Employees' employment with Defendants, they were not paid all wages they were owed, including for all work performed resulting in off the clock work. Aggrieved Employees were required to perform off the clock work which they were not compensated for despite being subject to Defendants' control. Specifically, Plaintiffs and Aggrieved Employees were required to work off the clock by performing "pre-shift" duties including, unlocking the door, opening the vault, and disarming the alarm and "post-shift" duties including cleaning the store every shift, and having bag checks performed after clocking out for the day each shift. Additionally on several occasions, Plaintiffs and Aggrieved Employees were required to attend meetings off the clock. Moreover, on several occasions, Plaintiffs and

Aggrieved Employees were required to drive regional managers for which Plaintiffs and Employees were never compensated. Additionally, Plaintiffs and Employees were required to go to work on days they were not scheduled, due to security incidents for which Plaintiffs and Employees were not compensated. Furthermore, the uncompensated time included the time Aggrieved Employees worked off-the-clock during meal periods as a result of Defendants' high demand. Moreover, Aggrieved Employees were required to carry walkie-talkies during work and respond to request during meal breaks.

Defendants also failed to pay Aggrieved Employees all wages due and owing because Defendants failed to pay on-call or standby pay. Specifically, Defendants required Aggrieved Employees to on-call or on standby. During this time, Aggrieved Employees were under Defendants' control because they had to immediately report to work. However, they were not paid on-call or standby pay. Upon information and belief, Aggrieved Employees were also required to be on-call and were not compensated for on-call or standby pay.

By implementing policies, programs, practices, procedures and protocols which resulted in off the clock work, Defendants' willful actions resulted in the systematic underpayment of wages and overtime pay to Aggrieved Employees For example, the off the clock work addressed above caused Aggrieved Employees to begin receiving overtime pay later than they should have.

As a result of the above-described requirements to work off the clock, and the other wage violations they endured at Defendants' hands, Aggrieved Employees were not properly paid all wages earned and all wages owed to them by Defendants, including when working more than eight (8) hours in any given day and/or more than forty (40) hours in any given week. Moreover, the uncompensated time, discussed above, was worked by Aggrieved Employees in excess of 8 hours a day and/or 40 hours a week, further entitling Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code and applicable Wage Orders.

Defendants had a common policy and/or practice of denying Plaintiffs and Aggrieved Employees proper meal periods. Specifically, Plaintiffs and Aggrieved Employees were required to work through their meal periods which they were consistently denied. Additionally, Defendants' policy of requiring the Aggrieved Employees to keep their walkie-talkies on throughout their meal breaks and to respond to any emergencies or other situations that needed to be addressed prevented Aggrieved Employees from taking their breaks. Also, what meal periods Plaintiffs and Aggrieved Employees did take, were consistently less than 30 minutes, and taken well after their fifth consecutive hour of work, all in violation of Labor Code and applicable Wage Orders. Similarly, Plaintiffs and Aggrieved Employees were required to work in excess of ten (10) hours a day, without ever receiving a second meal compliant period, all in violation of Labor Code and applicable Wage Orders.

Defendants have consistently failed to provide Plaintiffs and Aggrieved Employees with paid rest breaks of not less than 10 minutes for every work period of 4 or more consecutive hours, as required by Labor Code. Specifically, Plaintiffs and Aggrieved Employees who often worked at least twelve (12) hours in a day were entitled to at least two breaks but were required to work

through their periods which they were continuously denied. Additionally, Defendants' policy of requiring the Aggrieved Employees to keep their walkie talkies on throughout their rest breaks and to respond to any emergencies or other situations that needed to be addressed prevented Aggrieved Employees from taking their breaks

Defendants also consistently failed to issue accurate itemized wage statements as required by Labor Code § 226(a). Specifically, the wage statements given to Aggrieved Employees failed to accurately account for unpaid wages and overtime because their actual hours worked were under-reported due to off the clock work. Additionally, the wage statements given to Aggrieved Employees failed to accurately account for premium pay for deficiently provided meal periods and rest breaks.

Furthermore, Defendants caused Aggrieved Employees to go without a day of rest when they required Aggrieved Employees to forego rest to which Aggrieved Employees were entitled to by scheduling or directing Aggrieved Employees to involuntarily work seven days in a row in each workweek without a day of rest. Aggrieved Employees worked more than six (6) hours of work during each shift.

Additionally, Defendants failed to pay Aggrieved Employees all wages owed, as detailed above, at the time of their termination or within seventy-two (72) hours of their resignation, as required under Labor Code § 203. Specifically, Aggrieved Employees were not paid all regular and overtime wages because Defendants failed to pay for all hours worked, required off the clock work to the detriment of Aggrieved Employees. Additionally, Defendants failed to pay premium wages owed for unprovided meal periods and rest periods. Defendants' failure to pay said wages within the required time was willful within the meaning of Labor Code § 203.

Defendants also failed to reimburse Aggrieved Employees for necessary business expenses. Defendants have regularly required Plaintiffs to incur business expenses in the course of performing their required job duties for Defendants including cell phone usage and costs for vehicle maintenance, mileage, and fuel, personal protective equipment such as knee pads, gloves, and a fan**.** Upon information and belief, Aggrieved Employees incurred similar costs. These expenses incurred by Plaintiffs and Aggrieved Employees were necessary and required of them in performing their assigned job duties, but Defendants failed to reimburse Plaintiffs and Aggrieved Employees for all such necessary expenditures, thus entitling them to reimbursement according to proof as required under Labor Code § 2802 and the applicable provisions of the IWC Wage Orders.

Defendants also failed to provide suitable seating to Aggrieved Employees. The operations at Defendant's facilities allowed for the presence and use of a stool or seat by Aggrieved Employees during the performance of their work duties. The nature of the effected job positions can reasonably be accomplished while using a seat or stool. However, Defendant failed to provide Aggrieved Employees suitable seating when the nature of these employees' work reasonably permitted sitting.

PAGA Claim Details, Legal Bases for Violations and Penalties:
As addressed above, Plaintiffs and the Aggrieved Employees complain of the following violations committed by Defendants:

Failure to Pay Minimum Wages
Defendants violated the law by failing to pay Aggrieved Employees minimum wages for all hours worked. California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states, "[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful." The applicable minimum wages fixed by the commission for work during the relevant period is found in the Wage Orders.

In California, employees must be paid at least the then applicable state minimum wage for all hours worked, including under Labor Code § 1197, IWC Wage Order MW-2014, and paragraphs 2(K), 2(S), and 4(A)-4(C) of the applicable IWC Wage Orders. Paragraph 2(H) of the applicable IWC Wage Orders 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." Additionally, pursuant to Labor Code § 204, other applicable laws and regulations, and public policy, an employer must timely pay its employees for all hours worked. Defendants failed to do so.

California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states: "The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful." The minimum wage provisions of California Labor Code are enforceable by private civil action pursuant to Labor Code § 1194(a) which states: "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 attorney's fees and costs of suit."

As described in California Labor Code §§ 1185 and 1194.2, any action for wages incorporates the applicable Wage Order of the California Industrial Welfare Commission. Also, California Labor Code §§ 1194, 1197, 1197.1 and those Industrial Welfare Commission Wage Orders entitle non-exempt employees to an amount equal to or greater than the minimum wage for all hours worked. All hours must be paid at the statutory or agreed rate, or at the minimum rate in the absence of a contractually agreed upon one. The underpayment of wages to Aggrieved Employees is and has been a direct consequence of Defendants' unlawful compensation policies and practices, which applied uniformly to the Aggrieved Employees working at locations and work sites throughout California.

Defendants thus failed to pay Employees minimum wages they were owed, including by their consistent policy of failing to pay Employees for all hours worked. Specifically, Plaintiffs and Aggrieved Employees were required to work off the clock by performing "pre-shift" duties

including, unlocking the door, opening the vault, and disarming the alarm and "post-shift" duties including cleaning the store every shift, and having bag checks performed after clocking out for the day each shift. Additionally on several occasions, Plaintiffs and Aggrieved Employees were required to attend meetings off the clock. Moreover, on several occasions, Plaintiffs and Aggrieved Employees were required to drive regional managers for which Plaintiffs and Employees were never compensated. Additionally, Plaintiffs and Employees were required to go to work on days they were not scheduled, due to security incidents for which Plaintiffs and Employees were not compensated. Furthermore, the uncompensated time included the time Employees worked off-the-clock during meal periods as a result of Defendants' high demand. Moreover, Employees were required to carry walkie-talkies during work and respond to request during meal breaks. Defendants also failed to pay Aggrieved Employees all wages due and owing because Defendants failed to pay on-call or standby pay. Specifically, Defendants required Aggrieved Employees to on-call or on standby. During this time, Aggrieved Employees were under Defendants' control because they had to immediately report to work. However, they were not paid on-call or standby pay. Upon information and belief, Aggrieved Employees were also required to be on-call and were not compensated for on-call or standby pay.

Additionally, Defendant also had a common policy and/or practice of understating the hours worked by Plaintiffs and Aggrieved Employees because Defendant would round down Plaintiffs and Aggrieved Employees time to the nearest 15-minute time increment order to avoid paying them for all the hours worked.

During the relevant time period, Defendants thus regularly failed to pay minimum wages to Plaintiffs and the Aggrieved Employees, including by requiring systematic off the clock work. Defendants' uniform pattern of unlawful wage and hour practices manifested, without limitation, applicable to the Aggrieved Employees as a whole, as a result of implementing a uniform policy and practice that denied accurate compensation to Plaintiffs and the other Aggrieved Employees as to minimum wage pay.

In light of the forgoing, the Aggrieved Employees seek to recover wages and penalties. Aggrieved Employees are entitled to recover the unpaid minimum wages (including double minimum wages), liquidated damages in an amount equal to the minimum wages unlawfully unpaid, interest thereon and reasonable attorney's fees and costs of suit pursuant to California Labor Code § 1194(a). Plaintiffs and the other Aggrieved Employees further request recovery of all unpaid wages, according to proof, interest, statutory costs, as well as the assessment of any statutory and civil penalties against Defendants, in a sum as provided by the California Labor Code and/or other applicable statutes, including pursuant to Labor Code § 558, and Wage Order provisions. To the extent minimum wage compensation is determined to be owed to the Aggrieved Employees who have terminated their employment, Defendants' conduct also violates Labor Code §§ 201 and/or 202, and therefore these individuals are also be entitled to waiting time penalties under California Labor Code § 203, which penalties are sought herein on behalf of these Aggrieved Employees. Defendants' failure to timely pay all wages owed also violated Labor Code § 204 and resulted in violations of Labor Code § 226 because they resulted in the

issuance of inaccurate wage statements. Defendants' conduct as alleged herein was willful, intentional and not in good faith. Further, Plaintiffs and other Aggrieved Employees are entitled to seek and recover statutory costs.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs are seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Pay Wages and Overtime in Violation of Labor Code § 510

Defendants violated the law by failing to pay Aggrieved Employees earned wages and overtime. Specifically, Plaintiffs and Aggrieved Employees were required to work off the clock by performing "pre-shift" duties including, unlocking the door, opening the vault, and disarming the alarm and "post-shift" duties including cleaning the store every shift, and having bag checks performed after clocking out for the day each shift. Additionally on several occasions, Plaintiffs and Aggrieved Employees were required attend meetings off the clock. Moreover, on several occasions, Plaintiffs and Aggrieved Employees were required to drive regional managers for which Plaintiffs and Employees were never compensated. Additionally, Plaintiffs and Employees were required to go to work on days they were not scheduled, due to security incidents for which Plaintiffs and Employees were not compensated. Furthermore, the uncompensated time included the time Aggrieved Employees worked off-the-clock during meal periods as a result of Defendants' high demand. Moreover, Employees were required to carry walkie-talkies during work and respond to request during meal breaks. As discussed above Defendants improperly rounded down to the nearest quarter hour, changed, adjusted and/or modified Plaintiffs and Aggrieved Employees hours in order to avoid paying them for all hours worked. This caused Plaintiffs and Aggrieved Employees to work in excess of 8 hours a day and/or 40 hours a week, further entitling Plaintiffs and Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code § 510 and applicable Wage Orders.

Defendants have violated Labor Code § 1194 and Labor Code § 510 (and paragraphs 2(K), 2(S), 3(A) and 4(A)-4(B) of the relevant orders of the Industrial Welfare Commission) by failing to pay Employees: (a) time and one-half their regular hourly rates for hours worked in excess of eight hours in a workday or in excess of forty hours in any workweek or for the first eight hours worked on the seventh day of work in any one workweek; or (b) twice their regular rate of pay for hours worked in excess of twelve hours in any one day or for hours worked in excess of eight hours on any seventh day of work in a workweek. Defendants had a consistent policy of not paying Employees wages for all hours worked, including by requiring off the clock work as addressed above and by under-reporting actual hours worked. With work shifts generally requiring eight hours or more of work on a given day, this unpaid off the clock work resulted in Aggrieved Employees working past eight hours on a shift or more than forty hours in a week, which required that they be paid at the correct overtime rate of 1.5 times their regular rate.

When considered in combination with the other wage violations addressed above, Aggrieved Employees were not properly compensated, nor were they paid overtime and double time rates

for hours worked in excess of eight hours or twelve hours in a given day, and/or forty hours in a given week. Defendants did not make available to Employees a reasonable protocol for correcting time records when Employees worked overtime hours or to fix incorrect time entries or those that Defendants unlawfully under-recorded to the Employee's detriment. Defendants have also violated these provisions by requiring Plaintiffs and other similarly situated Aggrieved Employees to work through meal periods when they were required to be clocked out or to otherwise work off the clock to complete their daily job duties.

In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to the California Labor Code, including Labor Code §§ 204, 510, 558, 1174, 1194, 1198, 1199, and the relevant paragraphs of the IWC Wage Orders, including paragraphs 2(K), 2(S), 3(A), 4, and 20. Defendants are liable to Employees for the full amount of all their unpaid wages and overtime compensation, with interest, plus their reasonable attorneys' fees and costs, as well as the assessment of any statutory penalties against Defendants, and each of them, and any additional sums as provided by the Labor Code and/or other statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs are seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Meal-Period Liability Under Labor Code § 226.7 and 512 Penalties

Defendants have regularly required Aggrieved Employees to work shifts in excess of five hours without providing them with uninterrupted meal periods of not less than thirty minutes as required under Labor Code §§ 226.7, 512, and paragraph 11 of the applicable Wage Orders. Specifically, Aggrieved Employees were forced to incur shortened meal periods, were provided with breaks late and well after the fifth hour of work, could not be relieved to take breaks, or were required to remain on-duty at all times and were unable to take off-duty breaks or were otherwise not provided with the opportunity to take required breaks. Additionally, Defendants' policy of requiring the Aggrieved Employees to keep their walkie talkies on throughout their meal breaks and to respond to any emergencies or other situations that needed to be addressed prevented Aggrieved Employees from taking their breaks.

On the occasions when Aggrieved Employees were provided with a meal period, it was often untimely or interrupted by having to respond to work demands or remain under Defendant's control, in violation of the Labor Code and applicable Wage Orders. Defendants also failed to pay Aggrieved Employees "premium pay," i.e. one hour of wages at each Aggrieved Employee's effective regular rate of pay, for each meal period that Defendants failed to provide or deficiently provided, including by miscalculating any premium payments they did make. Therefore, pursuant to Labor Code § 226.7 and paragraphs 11 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each meal period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants,

and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs are seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2) and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Rest-Break Liability Under Labor Code § 226.7 and Penalties

Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than ten minutes for every work period of four or more consecutive hours, as required under Labor Code § 226.7. Specifically, Defendants provided rest periods untimely or for shortened durations, and Defendants' policies and procedures required Aggrieved Employees to remain under Defendants' control during breaks to respond to job requirements. Also, under *Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257, 260 (2016) "[D]uring required rest periods, employers must relieve their employees of all duties and relinquish any control over how employees spend their break time." Defendants did not allow Aggrieved Employees to leave the Defendants' location and this is directly at odds with *Augustus*, as it "tethered [employees] by time and policy to a particular location" and therefore fails to relieve employees of all work duties and employer control during rest periods. *Augustus*, 2 Cal.5th at 269. Additionally, Defendants' policy of requiring the Aggrieved Employees to keep their walkie talkies on throughout their rest breaks and to respond to any emergencies or other situations that needed to be addressed prevented Aggrieved Employees from taking their breaks.

Defendants also failed to pay Aggrieved Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided, or miscalculated any premiums paid. Therefore, pursuant to Labor Code § 226.7 and paragraphs 12 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each rest period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs are seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Provide One Day's Rest in Seven

California Labor Code § 551 provides that every person employed in any occupation of labor is entitled to one day's rest in seven. Additionally, California Labor Code § 552 prohibits employers from requiring employees to work more than six consecutive days without a day of rest. Moreover, California Labor Code § 556 exempts an employer from the day-of-rest

requirement when the total hours worked by an employee do not exceed 30 hours in any week or six hours in any one day thereof.

During the relevant time period, on information and belief, Defendants sometimes scheduled Aggrieved Employees to work six (6) or more hours per day and more than seven (7) consecutive days in a workweek. Because Aggrieved Employees worked over 30 hours per week and over six (6) hours per day in a workweek, they were not exempt from the day-of-rest requirement. To the extent that Employees may have signed purported waivers of their right to a day's rest in seven, such waivers are invalid. In light of the forgoing, Aggrieved Employees seek to recover penalties pursuant to the Labor Code § 558.

Failure to Reimburse for Necessary Business Expenditures in Violation of Labor Code § 2802

Defendants have consistently required Plaintiffs and Aggrieved Employees to incur necessary business expenses in the execution of their duties under Defendants' employ. Specifically, Defendants have failed to reimburse Plaintiffs and Aggrieved Employees for expenses necessarily incurred in the performance of their job duties for Defendants including, cell phone usage and costs for vehicle maintenance, mileage, and fuel, personal protective equipment such as knee pads, gloves, and a fan which were necessary to perform their duties under Defendants' employ which was used throughout the course of Plaintiffs and Aggrieved Employees' duties under Defendants' employ in violation of Labor Code § 2802. Defendants systematically and uniformly failed to reimburse those lawful and necessary work-related expenses or losses incurred in direct discharge of their job duties during employment with Defendants and at the direction of the Defendants pursuant to Labor Code § 2802(a) and the applicable IWC Wage Orders, paragraph 9. Defendants are liable for PAGA penalties resulting from their failure to reimburse necessary business expenses incurred by the Aggrieved Employees. Accordingly, Aggrieved Employees are entitled to recover, and hereby seek through this Representative Action, all civil and statutory penalties authorized for violations of California Labor Code §§ 1198 and 2802, and Section 9(B) of the applicable IWC Wage Orders, and Plaintiffs seek all civil and statutory penalties available and applicable under Labor Code §§ 2802 and 2699(f)(2), and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Issue Accurate and Itemized Wage Statements in Violation of Labor Code § 226

California Labor Code § 226(a) requires an employer to furnish each employee with an accurate, itemized wage statements in writing. These statements must be appended to the detachable part of the check, draft, voucher, or whatever else serves to pay the employee's wages; or, if wages are paid by cash or personal check, these statements may be given to the employee separately from the payment of wages; in either case the employer must give the employee these statements twice a month or each time wages are paid. As a direct and proximate cause of Defendants' violation of Labor Code § 226(a), Aggrieved Employees suffered injuries, including among other things confusion over whether they received all wages owed them, the difficulty and expense involved in reconstructing pay records, and forcing them to make mathematical computations to analyze whether the wages paid in fact compensated them correctly for all hours worked.

Defendants failed to provide Aggrieved Employees with accurate itemized wage statements in writing, as required by the Labor Code. Specifically, the wage statements given to Aggrieved Employees failed to accurately account for unpaid wages, overtime, premium pay for deficiently provided meal periods and rest breaks, and unlawfully received or collected wages, discussed above.

In light of these violations, and pursuant to Labor Code §§ 226(a) and 226(e) and paragraphs 4(b), 7, and 20 of the applicable IWC Wage Orders, Aggrieved Employees are entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars ($4,000). They are also entitled to an award of costs and reasonable attorneys' fees.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs assert PAGA claims for failure to provide Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiffs and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code §226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars ($250) per employee per violation in an initial citation and one thousand dollars ($1,000) per employee for each violation in a subsequent citation, …"

Failure to Issue Semimonthly Payments in Violation of Labor Code § 204

In failing to pay Aggrieved Employees wages, overtime, premium pay, etc., and failing to provide them with checks and wage statements, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as well as the meal and rest periods taken by Aggrieved Employees, as required by Labor Code § 1174 and the applicable IWC wage orders.

Defendants also required Aggrieved Employees to work hours off the clock for which they were not compensated, including during interrupted or otherwise on-duty meal periods. Defendants also failed to pay all overtime premium wages owed for work conducted on a work shift and a workday or miscalculate these premiums by not including all form of remuneration in the regular rate, as addressed above. Therefore, when Aggrieved Employees received wage statements and pay checks, they did not compensate all hours worked on a timely basis, resulting in Defendants' systematic failure to pay all wages owed to Aggrieved Employees twice monthly in accordance with the requirements of Labor Code § 204. Additionally, by not providing wage statements as required under section 204, Defendants systematically violated Labor Code § 204 and § 226.

Given the above described off the clock work, Plaintiffs were not paid at the correct overtime rate for all hours he worked after eight hours into a shift or over forty in a work week and that he was not paid all double time owed either. Defendants' uniformly applied payroll policies and practices thus resulted in further systematic and ongoing violations of the requirements of Labor Code § 204.

In light of the foregoing, Plaintiffs and Aggrieved Employees seek to recover wages and penalties, interest, fees and costs pursuant to Labor Code §§ 201.3, 210, 218.5, 558, and 1194. In failing to pay Aggrieved Employees minimum wages and overtime, and off the clock work, by not providing proper meal and rest periods, failing to provide accurate itemized wage statements, and failing to pay Employees wages upon termination or timely upon resignation, all discussed above, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants also failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as required by Labor Code § 1174 and paragraph 7 of the applicable IWC Wage Orders, entitling Aggrieved Employees to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs assert PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 203, 204, 2926, 2927, and 2699.5 seeking all civil penalties available and applicable under Labor Code §§ 204, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Keep Records In Accordance With Labor Code § 1174

Labor Code § 1174 requires employers to keep records showing payroll data and the hours worked daily by and the wages paid to employees. By failing to pay Aggrieved Employees proper wages, overtime, double time, premium pay, etc., and by not recording meal period start and end times, all discussed herein, Defendants failed to maintain proper employment records in accordance with Section 1174. In light of the forgoing, Plaintiffs and Aggrieved Employees seek to recover penalties pursuant to Labor Code §§ 1174.5 and 2699, *et seq.* Defendants have also failed to comply with paragraph 7 of the applicable California IWC Wage Orders by failing to maintain time records showing when the employee begins and ends each work period, meal periods, wages earned pursuant to Labor Code § 226.7, and total daily hours worked by itemizing in wage statements all deductions from payment of wages and accurately reporting total hours worked by the Aggrieved Employees, and they are entitled to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs assert PAGA claims for failure to provide Plaintiffs and the Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiffs and Aggrieved Employees under Labor Code §§ 226, 1174, 1198, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 558, 1174.5, 1199, and 2699(f)(2), 2699.5, and paragraph 20 of

the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Waiting Time Penalties Pursuant to Labor Code § 203

Some Aggrieved Employees no longer work for Defendants; they either resigned or were terminated from Defendants' employ. Based on the forgoing, Defendants have had a consistent policy of failing to pay all wages earned by and owed to Aggrieved Employees at the time of their termination of within seventy-two hours of their resignation, as required by California under Labor Code § 203. In light of the forgoing, Plaintiffs and Aggrieved Employees seek to recover wages and penalties pursuant to Labor Code § 558 and further specifically seek penalties and wages under Labor Code § 203, which provides that an employee's wages shall continue until paid for up to thirty (30) days from the date they were due.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs assert PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199, 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Provide Suitable Seating

Plaintiffs also allege that operations at Defendants' facilities allowed for the presence and use of a stool or seat by the Aggrieved Employees during the performance of their work duties. The nature of the effected job positions can reasonably be accomplished while using a seat or stool. California Labor Code § 1198 requires that ". . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful." Paragraph (14)(A) of the applicable IWC Wage Orders provides that "[a]ll working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats." Paragraph 14(B) of the applicable IWC Wage Orders provides that "[w]hen 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.

In violation of the applicable sections of the California Labor Code and the requirements of the applicable IWC Wage Order, Defendants failed to provide Aggrieved Employees suitable seating when the nature of these employees' work reasonably permitted sitting. Defendants knew or should have known that Aggrieved Employees were entitled to suitable seating and/or were entitled to sit when it did not interfere with the performance of their duties, and that Defendants did not provide suitable seating and did not allow them to sit when it did not interfere with the performance of their duties.

With their conduct, Defendants have violated California Labor Code § 1198 and Paragraph 14 of the applicable IWC Wage Orders by failing to provide suitable seating to Aggrieved Employees.

Defendants have violated the California Labor Code, including Section 1198, and regulations promulgated thereunder as herein alleged, including Paragraph 14 of the applicable IWC Wage Orders.

Unfair Competition Under Business and Professions Code § 17200, *et seq.*
Consequently, Defendants' conduct has been and continues to be unfair, unlawful, and harmful to Plaintiffs and Aggrieved Employees and the general public in violation of Business & Professions Code § 17200 et seq.

Plaintiffs' PAGA Claim under Labor Code § 2698 *et seq*. and Recovery Bases:
After complying with the notice procedures of Labor Code § 2699.3 and the running of the notice period Plaintiffs will file a Complaint asserting, as a representative action on behalf of the California Attorney General and the other similarly Aggrieved Employees, a PAGA claim for violations of the above addressed underlying claims and seeking penalties as specified by the applicable corresponding provisions.

Plaintiffs and the Aggrieved Employees seek penalties under Labor Code §§ 2698 and 2699 for Defendants' violation of Labor Code provisions included under Labor Code § 2699.5, including the penalty provisions, without limitation, based, *inter alia*, on the following California Labor Code sections: §§ 201, 202, 203, 204, 210, 218.5, 218.6, 221, 226, 226.3, 226.4, 226.7, 510, 512, 551, 552, 556, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1198.5, 1199, 2698, 2699, *et seq*, and 2802, including as follows:

(a) Wage Claims: For failure to provide Plaintiffs and the Aggrieved Employees all earned regular pay and minimum wages for regular hours worked and for failure to pay overtime premium wages for overtime hours worked under Labor Code §§ 510, 1194(a), 1197, and 1198, and paragraphs 2(K), 3(A), 4(A), 4(B) and 20 of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1198, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(b) Meal and Rest Period Claims: For failure to provide Plaintiffs and the Aggrieved Employees off-duty, timely, and unpaid meal periods and failure to authorize and permit them to take off-duty, timely, and paid rest periods, or pay one hour of regular pay in lieu thereof, under Labor Code §§ 512, 1198, and 226.7, and Sections 11, 12(A), and 12(B) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable, including under paragraph 20 of the applicable IWC Wage Orders, and wages under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199 and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(c) Inaccurate Wage Statements and Failure to Maintain Records: For failure to provide Plaintiffs and the Aggrieved Employees with wage statements or with accurate, itemized wage statements and failure to maintain employment records for Plaintiffs and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of

the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code §226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars ($250) per employee per violation in an initial citation and one thousand dollars ($1,000) per employee for each violation in a subsequent citation, …";

(d) Failure to Timely Pay Wages: For failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(e) Failure to Reimburse Business Expenses: For Defendants' failure to reimburse the necessary work related expenses incurred under Labor Code §§ 1197, 1197.1, 1198, and 2802, and Sections 2(K), 4, 9, and 20 of the applicable IWC Wage Order(s), seeking civil penalties available and applicable under Labor Code §§ 1197, 1197.1, 1198, 2802, 2699.5, and 2699(f)(2) and paragraph 9 and 20 of the IWC Wage Orders, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(f) Failure to Provide Suitable Seating: For Defendants' failure to provide suitable seating under Labor Code § 1198 the applicable IWC Wage Order(s), seeking civil penalties available and applicable under Labor Code §§ 1198, 2699.5, and 2699(f)(2) and paragraph 9 and 20 of the IWC Wage Orders, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(g) Failure to Provide One Day's Rest in Seven: For Defendants' failure to provide one day's rest in seven under Labor Code § 551 the applicable IWC Wage Order(s), seeking civil penalties available and applicable under Labor Code §§ 55, 552, 556, and applicable IWC Wage Orders, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(h) All Alleged Violations of the IWC Wage Orders: For any above addressed violation of the applicable provisions of the IWC Wage Orders constituting violations of Labor Code § 1198 and Labor Code § 2699.5 and seeking penalties available and applicable under Labor Code § 2699(f)(2) and paragraph 20 of the applicable IWC Wage Orders, and for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

We have been constrained to initially move forward with the filing of this Complaint, alleging the causes of action discussed herein, without the PAGA claim. Thus, any action by the LWDA

would not resolve the entirety of the case, and the interest of judicial economy will be served by allowing the case to proceed as a cohesive whole.

This letter therefore provides the requisite notice under the Act to the LWDA and Defendants by setting forth the specific provisions of the Labor Code and related provisions Plaintiffs alleges have been violated, including the facts and relevant theories alleged against BG Retail, LLC and any other named Defendants and joint employers. To prevent the violations described herein from occurring, and to remedy past violations, Plaintiffs respectfully requests that the LWDA conduct an investigation into Defendants' employment practices in accordance with the Act.

Wherefore we request that you advise us, by certified mail within sixty days of the postmark on this letter, whether you intend to proceed with these claims or whether Plaintiffs and the Aggrieved Employees should include them in an amended Labor Code § 2698 *et seq.* claim under the Act in a Complaint.

Regards,

D.LAW, INC.

David Yeremian

Cc: Above listed Defendant BG Retail, LLC by Certified Mail

EXHIBIT 5

D.Law

250 N. Madison Ave
Pasadena, CA 91101

(818) 875-2008
(818) 722-3974
employers@d.law

March 27, 2026

VIA ON-LINE SUBMISSION ONLY TO:
(copy by certified mail to all Defendants)

Private Attorneys General Act
Attn. PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

BG Retail, LLC
8300 Maryland Ave
St. Louis, MO 63105
Certified Mail Tracking Number: 9414 8111 0549 5812 5115 36

CSC-Lawyers Incorporating Service
Agent for Service of Process for BG Retail,
LLC 2710 Gateway Oaks Drive Suite #150N
Sacramento, CA 95833
Certified Mail Tracking Number: 9414 8111 0549 5812 5492 70

Re: Labor Code § 2699 Penalties-PAGA Notice Letter to LWDA
Ponce et al. v. BG Retail, LLC
Case Number: **LWDA-CM-1004524-24**

Gentlepersons:

This office represents Plaintiffs Angela Diana Ponce formerly known as Angela Diana Ramirez, Priscilla Arellano, and Natalie Esparza (collectively "Plaintiffs") and all current and former individuals who were employed as non-exempt employees with BG Retail, LLC, within the State of California as store managers, assistant store managers, sales leads, associate store managers, key holders, and managers in training, at any time during the period of January 9, 2023 to the earlier of the following dates: (a) April 21, 2025 or (b) the date the Court enters the judgment granting preliminary approval of the class settlement (collectively "Aggrieved Employees") for violations of California Labor Code §§ 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.4, 226.7, 510, 512, 551, 552, 556, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq*, and 2802; provisions of the Industrial Welfare Commission (IWC) Wage Order(s); and California Business & Professions Code § 17200 et seq.

The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et. seq.* ("the Act"). Plaintiffs would like to bring a representative action, pursuant to the Act, on behalf of himself and all other similarly situated Aggrieved Employees, and the State of California, against Defendants, BG Retail, LLC, and

DOES 1 through 50 inclusive (all defendants being referred to herein collectively as "Defendants").

Additionally, this correspondence will serve to satisfy the notice requirements under the Act, which is attached to this Notice letter.
We also set forth herein the facts and theories and the California Labor Code violations which Defendants engaged in with respect to Plaintiffs and all of their Aggrieved Employees in California. This Notice Letter addresses in detail numerous violations that subject Defendants to civil and statutory penalties under the Act.

Relevant Facts
Plaintiffs were employed by Defendants as a non-exempt, hourly employee based out of Defendants' location in California. Aggrieved Employees include all non-exempt hourly employees of Defendants within the state of California from one year prior to the date of this letter and continuing through the present. Plaintiffs and Aggrieved Employees are collectively referred to herein as "Aggrieved Employees." Aggrieved Employees consistently worked at Defendants' behest and under their control and subject to their policies and practices without being paid all wages due. Plaintiffs are also informed and believes that there are other Aggrieved Employees employed by Defendants as non-exempt employees within the state of California within the statutory time period who suffer or suffered from the same wage and hour violations outlined below.

Defendants had a common policy and/or practice of failing to pay Aggrieved Employees minimum wages for all hours worked. Aggrieved Employees were either not paid by Defendants for all hours worked or were not paid at the appropriate minimum, regular and overtime rates. Plaintiffs also contend that Defendants failed to pay Aggrieved Employees all wages due and owing, including by requiring off the clock work, failing to provide meal and rest breaks, failing to furnish accurate wage statements, failing to timely pay wages including final wages, failing to maintain accurate records, and failing to reimburse for necessary business expenses all in violation of various provisions of the California Labor Code and applicable Wage Orders.

Defendants' timekeeping system for the beginning and ending times of their work shifts including requiring Aggrieved Employees to use Defendants' time clock. The timekeeping system thus permitted Defendants to record clock in and clock out times to the real-time minute. However, rather than paying Plaintiffs and the Aggrieved Employees for all hours and minutes they actually worked, Defendants followed a uniform policy and practice of rounding all time entries to the quarter hour (*i.e.*, to the nearest 15 minute time increment), and generally did so to the detriment of the Employees, and these unlawfully rounded time entries were inputted into Defendants' payroll system from which wage statements and payroll checks were created.

During the course of Aggrieved Employees' employment with Defendants, they were not paid all wages they were owed, including for all work performed resulting in off the clock work. Aggrieved Employees were required to perform off the clock work which they were not compensated for despite being subject to Defendants' control. Specifically, Plaintiffs and

Aggrieved Employees were required to work off the clock by performing "pre-shift" duties including, unlocking the door, opening the vault, and disarming the alarm and "post-shift" duties including cleaning the store every shift, and having bag checks performed after clocking out for the day each shift. Additionally on several occasions, Plaintiffs and Aggrieved Employees were required to attend meetings off the clock. Moreover, on several occasions, Plaintiffs and Aggrieved Employees were required to drive regional managers for which Plaintiffs and Employees were never compensated. Additionally, Plaintiffs and Employees were required to go to work on days they were not scheduled, due to security incidents for which Plaintiffs and Employees were not compensated. Furthermore, the uncompensated time included the time Aggrieved Employees worked off-the-clock during meal periods as a result of Defendants' high demand. Moreover, Aggrieved Employees were required to carry walkie-talkies during work and respond to request during meal breaks.

Defendants also failed to pay Aggrieved Employees all wages due and owing because Defendants failed to pay on-call or standby pay. Specifically, Defendants required Aggrieved Employees to on-call or on standby. During this time, Aggrieved Employees were under Defendants' control because they had to immediately report to work. However, they were not paid on-call or standby pay. Upon information and belief, Aggrieved Employees were also required to be on-call and were not compensated for on-call or standby pay.

By implementing policies, programs, practices, procedures and protocols which resulted in off the clock work, Defendants' willful actions resulted in the systematic underpayment of wages and overtime pay to Aggrieved Employees For example, the off the clock work addressed above caused Aggrieved Employees to begin receiving overtime pay later than they should have.

As a result of the above-described requirements to work off the clock, and the other wage violations they endured at Defendants' hands, Aggrieved Employees were not properly paid all wages earned and all wages owed to them by Defendants, including when working more than eight (8) hours in any given day and/or more than forty (40) hours in any given week. Moreover, the uncompensated time, discussed above, was worked by Aggrieved Employees in excess of 8 hours a day and/or 40 hours a week, further entitling Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code and applicable Wage Orders.

Defendants had a common policy and/or practice of denying Plaintiffs and Aggrieved Employees proper meal periods. Specifically, Plaintiffs and Aggrieved Employees were required to work through their meal periods which they were consistently denied. Additionally, Defendants' policy of requiring the Aggrieved Employees to keep their walkie-talkies on throughout their meal breaks and to respond to any emergencies or other situations that needed to be addressed prevented Aggrieved Employees from taking their breaks. Also, what meal periods Plaintiffs and Aggrieved Employees did take, were consistently less than 30 minutes, and taken well after their fifth consecutive hour of work, all in violation of Labor Code and applicable Wage Orders. Similarly, Plaintiffs and Aggrieved Employees were required to work in excess of ten (10) hours a day, without ever receiving a second meal compliant period, all in violation of Labor Code and applicable Wage Orders.

Defendants have consistently failed to provide Plaintiffs and Aggrieved Employees with paid rest breaks of not less than 10 minutes for every work period of 4 or more consecutive hours, as required by Labor Code. Specifically, Plaintiffs and Aggrieved Employees who often worked at least twelve (12) hours in a day were entitled to at least two breaks but were required to work through their periods which they were continuously denied. Additionally, Defendants' policy of requiring the Aggrieved Employees to keep their walkie talkies on throughout their rest breaks and to respond to any emergencies or other situations that needed to be addressed prevented Aggrieved Employees from taking their breaks.

Defendants also consistently failed to issue accurate itemized wage statements as required by Labor Code § 226(a). Specifically, the wage statements given to Aggrieved Employees failed to accurately account for unpaid wages and overtime because their actual hours worked were under-reported due to off the clock work. Additionally, the wage statements given to Aggrieved Employees failed to accurately account for premium pay for deficiently provided meal periods and rest breaks.

Furthermore, Defendants caused Aggrieved Employees to go without a day of rest when they required Aggrieved Employees to forego rest to which Aggrieved Employees were entitled to by scheduling or directing Aggrieved Employees to involuntarily work seven days in a row in each workweek without a day of rest. Aggrieved Employees worked more than six (6) hours of work during each shift.

Additionally, Defendants failed to pay Aggrieved Employees all wages owed, as detailed above, at the time of their termination or within seventy-two (72) hours of their resignation, as required under Labor Code § 203. Specifically, Aggrieved Employees were not paid all regular and overtime wages because Defendants failed to pay for all hours worked, required off the clock work to the detriment of Aggrieved Employees. Additionally, Defendants failed to pay premium wages owed for unprovided meal periods and rest periods. Defendants' failure to pay said wages within the required time was willful within the meaning of Labor Code § 203.

Defendants also failed to reimburse Aggrieved Employees for necessary business expenses. Defendants have regularly required Plaintiffs to incur business expenses in the course of performing their required job duties for Defendants including cell phone usage and costs for vehicle maintenance, mileage, and fuel, personal protective equipment such as knee pads, gloves, and a fan**.** Upon information and belief, Aggrieved Employees incurred similar costs. These expenses incurred by Plaintiffs and Aggrieved Employees were necessary and required of them in performing their assigned job duties, but Defendants failed to reimburse Plaintiffs and Aggrieved Employees for all such necessary expenditures, thus entitling them to reimbursement according to proof as required under Labor Code § 2802 and the applicable provisions of the IWC Wage Orders.

Defendants also failed to provide suitable seating to Aggrieved Employees. The operations at Defendant's facilities allowed for the presence and use of a stool or seat by Aggrieved

Employees during the performance of their work duties. The nature of the effected job positions can reasonably be accomplished while using a seat or stool. However, Defendants failed to provide Aggrieved Employees suitable seating when the nature of these employees' work reasonably permitted sitting.

PAGA Claim Details, Legal Bases for Violations and Penalties:
As addressed above, Plaintiffs and the Aggrieved Employees complain of the following violations committed by Defendants:

Failure to Pay Minimum Wages
Defendants violated the law by failing to pay Aggrieved Employees minimum wages for all hours worked. California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states, "[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful." The applicable minimum wages fixed by the commission for work during the relevant period is found in the Wage Orders.

In California, employees must be paid at least the then applicable state minimum wage for all hours worked, including under Labor Code § 1197, IWC Wage Order MW-2014, and paragraphs 2(K), 2(S), and 4(A)-4(C) of the applicable IWC Wage Orders. Paragraph 2(H) of the applicable IWC Wage Orders 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." Additionally, pursuant to Labor Code § 204, other applicable laws and regulations, and public policy, an employer must timely pay its employees for all hours worked. Defendants failed to do so.

California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states: "The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful." The minimum wage provisions of California Labor Code are enforceable by private civil action pursuant to Labor Code § 1194(a) which states: "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 attorney's fees and costs of suit."

As described in California Labor Code §§ 1185 and 1194.2, any action for wages incorporates the applicable Wage Order of the California Industrial Welfare Commission. Also, California Labor Code §§ 1194, 1197, 1197.1 and those Industrial Welfare Commission Wage Orders entitle non-exempt employees to an amount equal to or greater than the minimum wage for all hours worked. All hours must be paid at the statutory or agreed rate, or at the minimum rate in the absence of a contractually agreed upon one. The underpayment of wages to Aggrieved Employees is and has been a direct consequence of Defendants' unlawful compensation policies

and practices, which applied uniformly to the Aggrieved Employees working at locations and work sites throughout California.

Defendants thus failed to pay Employees minimum wages they were owed, including by their consistent policy of failing to pay Employees for all hours worked. Specifically, Plaintiffs and Aggrieved Employees were required to work off the clock by performing "pre-shift" duties including, unlocking the door, opening the vault, and disarming the alarm and "post-shift" duties including cleaning the store every shift, and having bag checks performed after clocking out for the day each shift. Additionally on several occasions, Plaintiffs and Aggrieved Employees were required to attend meetings off the clock. Moreover, on several occasions, Plaintiffs and Aggrieved Employees were required to drive regional managers for which Plaintiffs and Employees were never compensated. Additionally, Plaintiffs and Employees were required to go to work on days they were not scheduled, due to security incidents for which Plaintiffs and Employees were not compensated. Furthermore, the uncompensated time included the time Employees worked off-the-clock during meal periods as a result of Defendants' high demand. Moreover, Employees were required to carry walkie-talkies during work and respond to request during meal breaks. Defendants also failed to pay Aggrieved Employees all wages due and owing because Defendants failed to pay on-call or standby pay. Specifically, Defendants required Aggrieved Employees to on-call or on standby. During this time, Aggrieved Employees were under Defendants' control because they had to immediately report to work. However, they were not paid on-call or standby pay. Upon information and belief, Aggrieved Employees were also required to be on-call and were not compensated for on-call or standby pay.

Additionally, Defendants also had a common policy and/or practice of understating the hours worked by Plaintiffs and Aggrieved Employees because Defendants would round down Plaintiffs and Aggrieved Employees time to the nearest 15-minute time increment order to avoid paying them for all the hours worked.

During the relevant time period, Defendants thus regularly failed to pay minimum wages to Plaintiffs and the Aggrieved Employees, including by requiring systematic off the clock work. Defendants' uniform pattern of unlawful wage and hour practices manifested, without limitation, applicable to the Aggrieved Employees as a whole, as a result of implementing a uniform policy and practice that denied accurate compensation to Plaintiffs and the other Aggrieved Employees as to minimum wage pay.

In light of the forgoing, the Aggrieved Employees seek to recover wages and penalties. Aggrieved Employees are entitled to recover the unpaid minimum wages (including double minimum wages), liquidated damages in an amount equal to the minimum wages unlawfully unpaid, interest thereon and reasonable attorney's fees and costs of suit pursuant to California Labor Code § 1194(a). Plaintiffs and the other Aggrieved Employees further request recovery of all unpaid wages, according to proof, interest, statutory costs, as well as the assessment of any statutory and civil penalties against Defendants, in a sum as provided by the California Labor Code and/or other applicable statutes, including pursuant to Labor Code § 558, and Wage Order

provisions. To the extent minimum wage compensation is determined to be owed to the Aggrieved Employees who have terminated their employment, Defendants' conduct also violates Labor Code §§ 201 and/or 202, and therefore these individuals are also be entitled to waiting time penalties under California Labor Code § 203, which penalties are sought herein on behalf of these Aggrieved Employees. Defendants' failure to timely pay all wages owed also violated Labor Code § 204 and resulted in violations of Labor Code § 226 because they resulted in the issuance of inaccurate wage statements. Defendants' conduct as alleged herein was willful, intentional and not in good faith. Further, Plaintiffs and other Aggrieved Employees are entitled to seek and recover statutory costs.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs are seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Pay Wages and Overtime in Violation of Labor Code § 510

Defendants violated the law by failing to pay Aggrieved Employees earned wages and overtime. Specifically, Plaintiffs and Aggrieved Employees were required to work off the clock by performing "pre-shift" duties including, unlocking the door, opening the vault, and disarming the alarm and "post-shift" duties including cleaning the store every shift, and having bag checks performed after clocking out for the day each shift. Additionally on several occasions, Plaintiffs and Aggrieved Employees were required attend meetings off the clock. Moreover, on several occasions, Plaintiffs and Aggrieved Employees were required to drive regional managers for which Plaintiffs and Employees were never compensated. Additionally, Plaintiffs and Employees were required to go to work on days they were not scheduled, due to security incidents for which Plaintiffs and Employees were not compensated. Furthermore, the uncompensated time included the time Aggrieved Employees worked off-the-clock during meal periods as a result of Defendants' high demand. Moreover, Employees were required to carry walkie-talkies during work and respond to request during meal breaks. As discussed above Defendants improperly rounded down to the nearest quarter hour, changed, adjusted and/or modified Plaintiffs and Aggrieved Employees hours in order to avoid paying them for all hours worked. This caused Plaintiffs and Aggrieved Employees to work in excess of 8 hours a day and/or 40 hours a week, further entitling Plaintiffs and Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code § 510 and applicable Wage Orders.

Defendants have violated Labor Code § 1194 and Labor Code § 510 (and paragraphs 2(K), 2(S), 3(A) and 4(A)-4(B) of the relevant orders of the Industrial Welfare Commission) by failing to pay Employees: (a) time and one-half their regular hourly rates for hours worked in excess of eight hours in a workday or in excess of forty hours in any workweek or for the first eight hours worked on the seventh day of work in any one workweek; or (b) twice their regular rate of pay for hours worked in excess of twelve hours in any one day or for hours worked in excess of eight hours on any seventh day of work in a workweek. Defendants had a consistent policy of not paying Employees wages for all hours worked, including by requiring off the clock work as addressed above and by under-reporting actual hours worked. With work shifts generally

requiring eight hours or more of work on a given day, this unpaid off the clock work resulted in Aggrieved Employees working past eight hours on a shift or more than forty hours in a week, which required that they be paid at the correct overtime rate of 1.5 times their regular rate.

When considered in combination with the other wage violations addressed above, Aggrieved Employees were not properly compensated, nor were they paid overtime and double time rates for hours worked in excess of eight hours or twelve hours in a given day, and/or forty hours in a given week. Defendants did not make available to Employees a reasonable protocol for correcting time records when Employees worked overtime hours or to fix incorrect time entries or those that Defendants unlawfully under-recorded to the Employee's detriment. Defendants have also violated these provisions by requiring Plaintiffs and other similarly situated Aggrieved Employees to work through meal periods when they were required to be clocked out or to otherwise work off the clock to complete their daily job duties.

In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to the California Labor Code, including Labor Code §§ 204, 510, 558, 1174, 1194, 1198, 1199, and the relevant paragraphs of the IWC Wage Orders, including paragraphs 2(K), 2(S), 3(A), 4, and 20. Defendants are liable to Employees for the full amount of all their unpaid wages and overtime compensation, with interest, plus their reasonable attorneys' fees and costs, as well as the assessment of any statutory penalties against Defendants, and each of them, and any additional sums as provided by the Labor Code and/or other statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs are seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Meal-Period Liability Under Labor Code § 226.7 and 512 Penalties

Defendants have regularly required Aggrieved Employees to work shifts in excess of five hours without providing them with uninterrupted meal periods of not less than thirty minutes as required under Labor Code §§ 226.7, 512, and paragraph 11 of the applicable Wage Orders. Specifically, Aggrieved Employees were forced to incur shortened meal periods, were provided with breaks late and well after the fifth hour of work, could not be relieved to take breaks, or were required to remain on-duty at all times and were unable to take off-duty breaks or were otherwise not provided with the opportunity to take required breaks. Additionally, Defendants' policy of requiring the Aggrieved Employees to keep their walkie talkies on throughout their meal breaks and to respond to any emergencies or other situations that needed to be addressed prevented Aggrieved Employees from taking their breaks.

On the occasions when Aggrieved Employees were provided with a meal period, it was often untimely or interrupted by having to respond to work demands or remain under Defendant's control, in violation of the Labor Code and applicable Wage Orders. Defendants also failed to pay Aggrieved Employees "premium pay," i.e. one hour of wages at each Aggrieved Employee's effective regular rate of pay, for each meal period that Defendants failed to provide or deficiently

provided, including by miscalculating any premium payments they did make. Therefore, pursuant to Labor Code § 226.7 and paragraphs 11 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each meal period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs are seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2) and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Rest-Break Liability Under Labor Code § 226.7 and Penalties

Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than ten minutes for every work period of four or more consecutive hours, as required under Labor Code § 226.7. Specifically, Defendants provided rest periods untimely or for shortened durations, and Defendants' policies and procedures required Aggrieved Employees to remain under Defendants' control during breaks to respond to job requirements. Also, under *Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257, 260 (2016) "[D]uring required rest periods, employers must relieve their employees of all duties and relinquish any control over how employees spend their break time." Defendants did not allow Aggrieved Employees to leave the Defendants' location and this is directly at odds with *Augustus*, as it "tethered [employees] by time and policy to a particular location" and therefore fails to relieve employees of all work duties and employer control during rest periods. *Augustus*, 2 Cal.5th at 269. Additionally, Defendants' policy of requiring the Aggrieved Employees to keep their walkie talkies on throughout their rest breaks and to respond to any emergencies or other situations that needed to be addressed prevented Aggrieved Employees from taking their breaks.

Defendants also failed to pay Aggrieved Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided, or miscalculated any premiums paid. Therefore, pursuant to Labor Code § 226.7 and paragraphs 12 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each rest period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs are seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Provide One Day's Rest in Seven

California Labor Code § 551 provides that every person employed in any occupation of labor is entitled to one day's rest in seven. Additionally, California Labor Code § 552 prohibits employers from requiring employees to work more than six consecutive days without a day of rest. Moreover, California Labor Code § 556 exempts an employer from the day-of-rest requirement when the total hours worked by an employee do not exceed 30 hours in any week or six hours in any one day thereof.

During the relevant time period, on information and belief, Defendants sometimes scheduled Aggrieved Employees to work six (6) or more hours per day and more than seven (7) consecutive days in a workweek. Because Aggrieved Employees worked over 30 hours per week and over six (6) hours per day in a workweek, they were not exempt from the day-of-rest requirement. To the extent that Employees may have signed purported waivers of their right to a day's rest in seven, such waivers are invalid. In light of the forgoing, Aggrieved Employees seek to recover penalties pursuant to the Labor Code § 558.

Failure to Reimburse for Necessary Business Expenditures in Violation of Labor Code § 2802

Defendants have consistently required Plaintiffs and Aggrieved Employees to incur necessary business expenses in the execution of their duties under Defendants' employ. Specifically, Defendants have failed to reimburse Plaintiffs and Aggrieved Employees for expenses necessarily incurred in the performance of their job duties for Defendants including, cell phone usage and costs for vehicle maintenance, mileage, and fuel, personal protective equipment such as knee pads, gloves, and a fan which were necessary to perform their duties under Defendants' employ which was used throughout the course of Plaintiffs and Aggrieved Employees' duties under Defendants' employ in violation of Labor Code § 2802. Defendants systematically and uniformly failed to reimburse those lawful and necessary work-related expenses or losses incurred in direct discharge of their job duties during employment with Defendants and at the direction of the Defendants pursuant to Labor Code § 2802(a) and the applicable IWC Wage Orders, paragraph 9. Defendants are liable for PAGA penalties resulting from their failure to reimburse necessary business expenses incurred by the Aggrieved Employees. Accordingly, Aggrieved Employees are entitled to recover, and hereby seek through this Representative Action, all civil and statutory penalties authorized for violations of California Labor Code §§ 1198 and 2802, and Section 9(B) of the applicable IWC Wage Orders, and Plaintiffs seek all civil and statutory penalties available and applicable under Labor Code §§ 2802 and 2699(f)(2), and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Issue Accurate and Itemized Wage Statements in Violation of Labor Code § 226

California Labor Code § 226(a) requires an employer to furnish each employee with an accurate, itemized wage statements in writing. These statements must be appended to the detachable part of the check, draft, voucher, or whatever else serves to pay the employee's wages; or, if wages are paid by cash or personal check, these statements may be given to the employee separately from the payment of wages; in either case the employer must give the employee these statements twice a month or each time wages are paid. As a direct and proximate cause of Defendants'

violation of Labor Code § 226(a), Aggrieved Employees suffered injuries, including among other things confusion over whether they received all wages owed them, the difficulty and expense involved in reconstructing pay records, and forcing them to make mathematical computations to analyze whether the wages paid in fact compensated them correctly for all hours worked.

Defendants failed to provide Aggrieved Employees with accurate itemized wage statements in writing, as required by the Labor Code. Specifically, the wage statements given to Aggrieved Employees failed to accurately account for unpaid wages, overtime, premium pay for deficiently provided meal periods and rest breaks, and unlawfully received or collected wages, discussed above.

In light of these violations, and pursuant to Labor Code §§ 226(a) and 226(e) and paragraphs 4(b), 7, and 20 of the applicable IWC Wage Orders, Aggrieved Employees are entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars ($4,000). They are also entitled to an award of costs and reasonable attorneys' fees.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs assert PAGA claims for failure to provide Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiffs and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code §226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars ($250) per employee per violation in an initial citation and one thousand dollars ($1,000) per employee for each violation in a subsequent citation, …"

Failure to Issue Semimonthly Payments in Violation of Labor Code § 204

In failing to pay Aggrieved Employees wages, overtime, premium pay, etc., and failing to provide them with checks and wage statements, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as well as the meal and rest periods taken by Aggrieved Employees, as required by Labor Code § 1174 and the applicable IWC wage orders.

Defendants also required Aggrieved Employees to work hours off the clock for which they were not compensated, including during interrupted or otherwise on-duty meal periods. Defendants also failed to pay all overtime premium wages owed for work conducted on a work shift and a workday or miscalculate these premiums by not including all form of remuneration in the regular

rate, as addressed above. Therefore, when Aggrieved Employees received wage statements and pay checks, they did not compensate all hours worked on a timely basis, resulting in Defendants' systematic failure to pay all wages owed to Aggrieved Employees twice monthly in accordance with the requirements of Labor Code § 204. Additionally, by not providing wage statements as required under section 204, Defendants systematically violated Labor Code § 204 and § 226. Given the above described off the clock work, Plaintiffs were not paid at the correct overtime rate for all hours he worked after eight hours into a shift or over forty in a work week and that he was not paid all double time owed either. Defendants' uniformly applied payroll policies and practices thus resulted in further systematic and ongoing violations of the requirements of Labor Code § 204.

In light of the foregoing, Plaintiffs and Aggrieved Employees seek to recover wages and penalties, interest, fees and costs pursuant to Labor Code §§ 201.3, 210, 218.5, 558, and 1194. In failing to pay Aggrieved Employees minimum wages and overtime, and off the clock work, by not providing proper meal and rest periods, failing to provide accurate itemized wage statements, and failing to pay Employees wages upon termination or timely upon resignation, all discussed above, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants also failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as required by Labor Code § 1174 and paragraph 7 of the applicable IWC Wage Orders, entitling Aggrieved Employees to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs assert PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 203, 204, 2926, 2927, and 2699.5 seeking all civil penalties available and applicable under Labor Code §§ 204, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Keep Records In Accordance With Labor Code § 1174

Labor Code § 1174 requires employers to keep records showing payroll data and the hours worked daily by and the wages paid to employees. By failing to pay Aggrieved Employees proper wages, overtime, double time, premium pay, etc., and by not recording meal period start and end times, all discussed herein, Defendants failed to maintain proper employment records in accordance with Section 1174. In light of the forgoing, Plaintiffs and Aggrieved Employees seek to recover penalties pursuant to Labor Code §§ 1174.5 and 2699, *et seq.* Defendants have also failed to comply with paragraph 7 of the applicable California IWC Wage Orders by failing to maintain time records showing when the employee begins and ends each work period, meal periods, wages earned pursuant to Labor Code § 226.7, and total daily hours worked by itemizing in wage statements all deductions from payment of wages and accurately reporting total hours worked by the Aggrieved Employees, and they are entitled to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs assert PAGA claims for failure to provide Plaintiffs and the Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiffs and Aggrieved Employees under Labor Code §§ 226, 1174, 1198, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 558, 1174.5, 1199, and 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Waiting Time Penalties Pursuant to Labor Code § 203

Some Aggrieved Employees no longer work for Defendants; they either resigned or were terminated from Defendants' employ. Based on the forgoing, Defendants have had a consistent policy of failing to pay all wages earned by and owed to Aggrieved Employees at the time of their termination of within seventy-two hours of their resignation, as required by California under Labor Code § 203. In light of the forgoing, Plaintiffs and Aggrieved Employees seek to recover wages and penalties pursuant to Labor Code § 558 and further specifically seek penalties and wages under Labor Code § 203, which provides that an employee's wages shall continue until paid for up to thirty (30) days from the date they were due.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs assert PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199, 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Provide Suitable Seating

Plaintiffs also allege that operations at Defendants' facilities allowed for the presence and use of a stool or seat by the Aggrieved Employees during the performance of their work duties. The nature of the effected job positions can reasonably be accomplished while using a seat or stool. California Labor Code § 1198 requires that ". . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful." Paragraph (14)(A) of the applicable IWC Wage Orders provides that "[a]ll working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats." Paragraph 14(B) of the applicable IWC Wage Orders provides that "[w]hen 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.

In violation of the applicable sections of the California Labor Code and the requirements of the applicable IWC Wage Order, Defendants failed to provide Aggrieved Employees suitable seating when the nature of these employees' work reasonably permitted sitting. Defendants knew or should have known that Aggrieved Employees were entitled to suitable seating and/or were

entitled to sit when it did not interfere with the performance of their duties, and that Defendants did not provide suitable seating and did not allow them to sit when it did not interfere with the performance of their duties.

With their conduct, Defendants have violated California Labor Code § 1198 and Paragraph 14 of the applicable IWC Wage Orders by failing to provide suitable seating to Aggrieved Employees. Defendants have violated the California Labor Code, including Section 1198, and regulations promulgated thereunder as herein alleged, including Paragraph 14 of the applicable IWC Wage Orders.

Unfair Competition Under Business and Professions Code § 17200, *et seq.*
Consequently, Defendants' conduct has been and continues to be unfair, unlawful, and harmful to Plaintiffs and Aggrieved Employees and the general public in violation of Business & Professions Code § 17200 et seq.

Plaintiffs' PAGA Claim under Labor Code § 2698 *et seq*. and Recovery Bases:
After complying with the notice procedures of Labor Code § 2699.3 and the running of the notice period Plaintiffs will file a Complaint asserting, as a representative action on behalf of the California Attorney General and the other similarly Aggrieved Employees, a PAGA claim for violations of the above addressed underlying claims and seeking penalties as specified by the applicable corresponding provisions.

Plaintiffs and the Aggrieved Employees seek penalties under Labor Code §§ 2698 and 2699 for Defendants' violation of Labor Code provisions included under Labor Code § 2699.5, including the penalty provisions, without limitation, based, *inter alia*, on the following California Labor Code sections: §§ 201, 202, 203, 204, 210, 218.5, 218.6, 221, 226, 226.3, 226.4, 226.7, 510, 512, 551, 552, 556, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1198.5, 1199, 2698, 2699, *et seq*, and 2802, including as follows:

(a) Wage Claims: For failure to provide Plaintiffs and the Aggrieved Employees all earned regular pay and minimum wages for regular hours worked and for failure to pay overtime premium wages for overtime hours worked under Labor Code §§ 510, 1194(a), 1197, and 1198, and paragraphs 2(K), 3(A), 4(A), 4(B) and 20 of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1198, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(b) Meal and Rest Period Claims: For failure to provide Plaintiffs and the Aggrieved Employees off-duty, timely, and unpaid meal periods and failure to authorize and permit them to take off-duty, timely, and paid rest periods, or pay one hour of regular pay in lieu thereof, under Labor Code §§ 512, 1198, and 226.7, and Sections 11, 12(A), and 12(B) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable, including under paragraph 20 of the applicable IWC Wage Orders, and wages under Labor Code §§ 226.7, 512,

558, including sections 558(a)(1)-(3), 1199 and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(c) Inaccurate Wage Statements and Failure to Maintain Records: For failure to provide Plaintiffs and the Aggrieved Employees with wage statements or with accurate, itemized wage statements and failure to maintain employment records for Plaintiffs and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code §226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars ($250) per employee per violation in an initial citation and one thousand dollars ($1,000) per employee for each violation in a subsequent citation, …";

(d) Failure to Timely Pay Wages: For failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(e) Failure to Reimburse Business Expenses: For Defendants' failure to reimburse the necessary work related expenses incurred under Labor Code §§ 1197, 1197.1, 1198, and 2802, and Sections 2(K), 4, 9, and 20 of the applicable IWC Wage Order(s), seeking civil penalties available and applicable under Labor Code §§ 1197, 1197.1, 1198, 2802, 2699.5, and 2699(f)(2) and paragraph 9 and 20 of the IWC Wage Orders, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(f) Failure to Provide Suitable Seating: For Defendants' failure to provide suitable seating under Labor Code § 1198 the applicable IWC Wage Order(s), seeking civil penalties available and applicable under Labor Code §§ 1198, 2699.5, and 2699(f)(2) and paragraph 9 and 20 of the IWC Wage Orders, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(g) Failure to Provide One Day's Rest in Seven: For Defendants' failure to provide one day's rest in seven under Labor Code § 551 the applicable IWC Wage Order(s), seeking civil penalties available and applicable under Labor Code §§ 551, 552, 556, and applicable IWC Wage Orders, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(h) All Alleged Violations of the IWC Wage Orders: For any above addressed violation of the applicable provisions of the IWC Wage Orders constituting violations of Labor Code § 1198 and Labor Code § 2699.5 and seeking penalties available and applicable under Labor Code § 2699(f)(2) and paragraph 20 of the applicable IWC Wage Orders, and for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

We have been constrained to initially move forward with the filing of this Complaint, alleging the causes of action discussed herein, without the PAGA claim. Thus, any action by the LWDA would not resolve the entirety of the case, and the interest of judicial economy will be served by allowing the case to proceed as a cohesive whole.

This letter therefore provides the requisite notice under the Act to the LWDA and Defendants by setting forth the specific provisions of the Labor Code and related provisions Plaintiffs alleges have been violated, including the facts and relevant theories alleged against BG Retail, LLC and any other named Defendants and joint employers. To prevent the violations described herein from occurring, and to remedy past violations, Plaintiffs respectfully requests that the LWDA conduct an investigation into Defendants' employment practices in accordance with the Act.

Wherefore we request that you advise us, by certified mail within sixty days of the postmark on this letter, whether you intend to proceed with these claims or whether Plaintiffs and the Aggrieved Employees should include them in an amended Labor Code § 2698 *et seq.* claim under the Act in a Complaint.

Regards,

D.LAW, INC.

David Yeremian

Cc: Above listed Defendant BG Retail, LLC by Certified Mail

EXHIBIT 6

D.LAW, INC.
Roman Shkodnik (SBN 285152)
Amanda Fazio (SBN 346350)
Enoch J. Kim (SBN 261146)
Arianna N. Razi (SBN 356930)
250 N. Madison Avenue
Pasadena, CA 91101-1639
Telephone: (818) 962-6465
Facsimile: (818) 962-6469
Emails: r.shkodnik@d.law, a.fazio@d.law, e.kim@d.law, a.razi@d.law

Attorneys for Plaintiffs ANTHONY CORRALES, ANGELA DIANA PONCE, PRISCILLA ARELLANO, and NATALIE ESPARZA on behalf of themselves and others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

ANTHONY CORRALES, ANGELA DIANA PONCE, PRISCILLA ARELLANO, and NATALIE ESPARZA on behalf of themselves and others similarly situated, Plaintiff, vs. CALERES, INC. dba CALERES, a New York corporation; FAMOUS FOOTWEAR, an entity of unknown form; and DOES 1 through 50, inclusive, Defendants.	Case No. 23CV012350 CLASS ACTION Assigned for All Purposes To: Hon. Jill H. Talley Dept.: 8A **DECLARATION OF MICHAEL SUTHERLAND OF APEX CLASS ACTION, LLC IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT** Date: December 11, 2026 Time: 9:00 a.m. Dept.: 8A Original Complaint Filed: November 29, 2023 First Amended Complaint Filed: Trial Date: None Set

DECLARATION OF KIMBERLY SUTHERLAND

I, Kimberly Sutherland, declare as follows:

1. I am the Senior Vice President of Apex Class Action LLC., a class action settlement administration company headquartered in Irvine, California. I have personal knowledge of the facts outlined in this declaration and, if called as a witness, I could and would competently testify thereto.

2. Apex Class Action's team has been directly involved with class action administration for a combined 75 years and has successfully managed numerous class action cases during that time. Our team comprises experienced professionals with extensive knowledge of class action settlement administration. In addition, Apex Class Action has the necessary technology and infrastructure to efficiently manage large-scale class action cases. We utilize state-of-the-art software and systems to ensure that all aspects of the administration process are executed accurately and efficiently.

3. The legal practitioners or parties involved do not possess any form of ownership stake or affiliation with Apex Class Action.

4. Apex Class Action has extensive expertise in the dissemination of class action notices and administration of class action settlements. Our range of services includes first-class mail via the United States Postal Service, a bilingual toll-free call center, interactive & static website development and support, enterprise database management, response processing, and Qualified Settlement Fund (QSF) distribution for class actions of various sizes. We uphold the highest level of confidentiality in all our operations, and any class data and communication received by us will be treated with the utmost confidentiality and will not be disclosed to any unauthorized party. Attached is our current CV as **Exhibit A**, highlighting our primary competencies in class action administration.

5. Apex Class Action ensures that Client and Class Member Information is only used for the purposes specified in the relevant agreements or court orders governing the provision of its legal services. To safeguard class member information, Apex Class Action has implemented a comprehensive process to identify, assess, and mitigate risks in all areas of its operations, regularly evaluating the effectiveness of its security measures. Access to class member information is limited

to employees, agents, or subcontractors who require it to perform their duties, and Apex Class Action conducts background checks on all personnel with access to sensitive personal information, to ensure they do not pose a threat to the security of client or class member information. To guarantee the security of the settlement administration process, Apex Class Action maintains $1,000,000.00 in Professional Liability and $5,000,000.00 in Cyber Liability Insurance coverage, as required by legal standards and best practices in the legal profession.

6. Apex Class Action disbursement process involves (i) obtaining a Federal Employer Identification Number (FEIN) from the Internal Revenue Service (IRS) under the name of the settlement case; (ii) establishing a QSF to manage the distribution of settlement funds; (iii) establishing a case specific website where relevant case-related settlement documents will be accessible, including the judgment; (iv) conducting preliminary and final calculations to determine the individual settlement amounts, including attorneys' fees, costs, enhancement awards, and any other court-approved designees; (v) calculating and reporting state and federal taxes as applicable; (vi) and disseminating approved settlement funds and tax forms via First-Class USPS mail.

7. The administration fees for Apex Class Action's management of this settlement are calculated using a combination of per hour, per piece, and static rates, per person, and will not exceed $16,500.00, as specified in **Exhibit B**. This document presents a comprehensive plan detailing the specific administration services that will be provided.

I declare under penalty of perjury under the laws of the state of California that the foregoing is true and correct. Executed this 10th day of April 2026, in Irvine, California.

Kimberly Sutherland

Kimberly Sutherland

EXHIBIT A

APEX
CLASS ACTION ADMINISTRATION

CASE TYPES

- Consumer
- Data Breach
- Mass Tort Disbursement
- Wage & Hour
- Private Attorneys General Act (PAGA)
- Belaire West
- Class Certification
- Fair Labor Standards Act (FSLA)
- Telephone Consumer Protection Act (TCPA)
- Employee Retirement Income Security Act (ERISA)
- Product Liability

SUMMARY

Apex Class Action brings together a seasoned team of professionals adept at navigating the intricate landscape of legal processes and settlement administration. Armed with extensive expertise, we offer a comprehensive understanding of the nuances inherent in settlement procedures. Our organization excels in communication and organization, leveraging cutting-edge technology to streamline project management and adhere to rigorous timelines with precision and efficiency.

From initial pre-settlement consultation to the final stages of disbursement and tax reporting, our technology platform and stringent data security protocols revolve around integration, automation, and observability. This ensures swift and precise payment for class members, bolstering efficiency and accuracy throughout the process.

PRELIMINARY CONSULTATION

Our complimentary preliminary consultation serves as the cornerstone for establishing a comprehensive framework. This framework ensures that all stakeholders grasp the project's scope, timeline, and budget parameters effectively. Following the alignment of objectives and expectations between plaintiff and defense counsel, our team diligently explores additional avenues to identify potential class members. We go the extra mile by offering detailed interactive banner ad campaigns and print media options, maximizing outreach and engagement to achieve optimal results.

CASE MANAGEMENT

At Apex Class Action, our expert Case Managers and Data Managers take charge of overseeing all aspects of the settlement administration process. Their role is pivotal in ensuring strict adherence to court orders, settlement agreements, and industry benchmarks. Working hand in hand with both plaintiff and defense counsel, we meticulously manage every aspect of the settlement administration process.

Our comprehensive mailing and notification services commence with meticulous data scrubbing and the establishment of a class database, guaranteeing the accuracy of contact information. Subsequently, the database undergoes validation using the USPS National Change of Address (NCOA) database to ensure precision and reliability. Additionally, we provide court-certified translation services covering over 65 languages, facilitating effective communication across diverse demographics. In instances where mail is returned as undeliverable, we undertake skip tracing to obtain updated addresses for class members, ensuring that all notices reach their intended recipients without delay.

APEX
CLASS ACTION ADMINISTRATION

To ensure transparency throughout the entire process, a steady cadence of reports, as defined during the preliminary consultation, is generated throughout the administration process for both the plaintiff and defense counsel.

Our capability to provide cost-effective pricing is rooted in our adept utilization of cutting-edge technology, a team of highly skilled professionals, and an optimized process. Should the courts approve the utilization of modern electronic notification methods like email and banner ads, we ensure both certainty and cost-effectiveness. Through electronic disbursement, we offer a highly efficient strategy wherein settlement awards are directly delivered to class members, mitigating potential drawbacks associated with traditional mail delivery and enhancing overall efficiency.

TAX COMPLIANCE & CASE RESOLUTION

Apex leverages its proprietary technology to efficiently manage all necessary state and federal tax reporting requirements. This includes establishing a Settlement Federal Tax Identification Number (FIEN) with the IRS and Qualified Settlement Fund (QSF) EDD accounts where applicable. We handle taxes associated with settlements involving multiple state tax filings, as well as manage all payroll tax filings such as Form 940, 941, and state filings. Additionally, our services encompass the preparation of information returns (Forms W-2, 1099, and 1042-S) for reportable payments and the preparation of the annual Federal income tax return (Form 1120-SF). Moreover, we provide comprehensive management of qualified settlement funds (QSF), ensuring that all accounts are FDIC-insured bank accounts. Our full suite of comprehensive tax management services includes:

- Prepare and fill all applicable returns (Forms W-2, 1099, and 1042-S)
- Payroll tax filings, including Form 940, 941, and state filings
- FID-Insured QSF Bank Accounts
- State and Federal Tax Reporting
- IRS Federal Tax Identification Number
- QSF Audit Reports
- Prepare And File 1120-SF Tax Returns with Quarterly Tax Obligations

CONTACT

Address
18 Technology Dr. Ste. 154
Irvine, CA 92618

Email
kimberly@apexclassaction.com
Info@apexclassaction.com

Phone
1.321.223.5065
1.800.355.0700

EXHIBIT B

APEX
CLASS ACTION ADMINISTRATION

Quotation Request:
Norayr Zakaryan
D.Law
n.zakaryan@d.law
818.962.6465

Case Name: Ponce v. BG Retail
Date: Tuesday, March 11, 2025
RFP Number: 34910001

Prepared By:
Kimberly Sutherland
Apex Class Action LLC
kimberly@apexclassaction.com
321.223.5065

Settlement Specifications	
Estimated Class Size:	**1,628**
Certified Language Translation:	**Yes**
Static Settlement Website	**Yes**
Percentage of Undeliverable Mail	**15%**

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
Data Analytics and Standardization				
Import and Standardize Data*	Per Hour	$125.00	3	$375.00
Data Analyst	Per Hour	$150.00	3	$450.00
*Data provided must be in a workable format. Apex can standardize provided data at an additional cost of $150/hr.				
			Sub Total:	$825.00
Mailing of Class Notice				
Form Set Up	Per Hour	$120.00	1	$120.00
Print & Mail Class Notice	Per Piece	$1.25	1,628	$2,035.00
USPS First Class Postage	Per Piece	$0.69	1,628	$1,123.32
Remail Undeliverable Mail (Skip-Trace)	Per Piece	$2.00	244	$488.40
Receive and Process Undeliverable Mail	Per Hour	$75.00	2	$150.00
Process Class Member Correspondence via mail, e-mail & fax	Per Piece	$75.00	3	$225.00
NCOA Address Update (USPS)	Static Rate	$394.36	1	$394.36
Certified Language Translation: Spanish	Static Rate	$1,200.00	1	$1,200.00
			Sub Total:	$5,736.08
Project Management				
Project Management	Per Hour	$150.00	3	$450.00
Project Coordinator	Per Hour	$90.00	2	$180.00
Data Analyst and Reporting	Per Hour	$140.00	2	$280.00
			Sub Total:	$910.00

APEX
CLASS ACTION ADMINISTRATION

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost
Toll-Free Contact Center, Website & Reporting				
Bilingual Toll-Free Contact Center	Static Rate	$450.00	1	$450.00
Settlement Website: Static Apex URL	Static Rate	$500.00	1	$500.00
Settlement Status Reports	Static Rate	$750.00	1	Waived
			Sub Total:	$950.00
Distribution & Settlement Fund Management				
Settlement Calculations (Preliminary and Final)	Per Hour	$120.00	3	$360.00
Account Management and Reconciliation	Per Hour	$140.00	3	$420.00
Print & Mail Distribution Settlement Check (W-2/1099)	Per Piece	$1.25	1,628	$2,035.00
USPS First Class Postage	Per Piece	$0.69	1,628	$1,123.32
Remail Distribution to Updated Address (Skip Trace)	Per Piece	$2.00	163	$325.60
Individual Income Tax Preparation & Reporting	Per Hour	$100.00	10	$1,000.00
QSF Income Tax Reporting (per calendar year)	Per Year	$1,250.00	1	$1,250.00
Unclaimed Funds: State Controller's Unclaimed Property Fund	Static Rate	$500.00	1	$500.00
			Sub Total:	$7,013.92
Post Distribution Reconciliation				
Bank Account Reconciliation	Per Hour	$135.00	3	$405.00
Project Management Reconciliation	Per Hour	$100.00	3	$300.00
Declarations	Per Hour	$120.00	3	$360.00
			Sub Total:	$1,065.00

WILL NOT EXCEED: $16,500.00

Thank you for your business!

CLASS ACTION ADMINISTRATION

Terms & Conditions

The following Terms and Conditions govern the provision of all services to be provided by Apex Class Action and its affiliates ("Apex") to the Client. These terms and conditions are binding and shall apply to all services provided by Apex in relation to any related services or products.

1. Services: Apex commits to providing the Client with the administrative services detailed in the attached Proposal (the "Services").

2. Payment Terms: As compensation for the legal services to be provided, the Client agrees to pay Apex all fees detailed in the Proposal. The fees quoted in the Proposal (and any subsequent proposals for additional services) are estimates based on the information provided to Apex by the Client. Apex makes no representation that the estimated fees in the Proposal or any subsequent proposals for additional services shall equal the actual fees charged by Apex to the Client, which fees (including individual line items) may be greater or less than estimated. If additional services are requested on an hourly basis and are not specifically detailed in the Proposal, Apex will prepare estimates for such services subject to approval by the Client. In the performance of such additional services, Apex will charge standard hourly fees which shall apply.

3. Incurred Expenses: In relation to the provision of services outlined in this agreement, the Client agrees to reimburse Apex for all reasonable out-of-pocket expenses incurred. Such expenses may include, but are not limited to, costs associated with postage, media production or publication, banking fees, brokerage fees, messenger and delivery service expenses, travel expenses, filing fees, office supplies, meals, staff overtime expenses, and other related costs and expenses. If not otherwise specified in writing, fees for print notice and certain expenses, such as media publication and postage, must be paid immediately upon invoicing and, in certain cases, at least ten (10) days prior to the date on which such expenses will be incurred.

4. Invoicing: Apex shall present invoices for its fees and expenses on a monthly basis, except as provided in Section 3. The Client agrees to pay each invoice within 30 days of receipt. In case of non-payment within 90 days of the billing date, an additional service charge of 1.5% per month may apply. Apex reserves the right to increase its prices, charges, and rates annually, subject to reasonable adjustments. If any price increases exceed 10%, Apex shall give thirty (30) days' notice to the Client. In the event of any unpaid invoices beyond 120 days of the due date, Apex reserves the right to withhold services and reports until payment is received, subject to notice to the Client. It is important to note that Apex's failure to provide services and reports in such instances shall not constitute a default under this agreement.

5. Case Duration: The duration of these Terms and Conditions, except for the data storage obligations stated in Section 13, shall be in effect until 30 days following the completion of the Services as described in the Proposal. The parties may extend these Terms and Conditions in writing for a mutually agreed-upon period beyond this initial 30-day period.

6. Termination of Services: Either party may terminate the Services by providing thirty (30) days written notice to the other party. Alternatively, termination may occur immediately upon written notice for Cause, as defined below. Cause means (I) Apex's gross negligence or willful misconduct that causes serious and material harm to the Client; (ii) the Client's failure to pay Apex invoices for more than one hundred twenty (120) days from the date of the invoice; or (iii) the accrual of invoices or unpaid services where Apex reasonably believes it will not be paid. Termination of the Services shall not relieve the Client of its obligation to pay Apex for services rendered prior to the termination.

7. Independent Contractor: As an independent contractor, Apex will provide services under the terms of this agreement. It is agreed that neither Apex nor any of its employees will be considered an employee of the Client. Consequently, Apex and its employees will not be eligible for any benefits provided by the Client to its employees. The Client will not make any tax deductions from the payments due to Apex for state or federal tax purposes. Apex will be solely responsible for paying all taxes and other payments due on payments received from the Client under this agreement.

8. Apex warrants that the Services outlined in the Proposal will be performed in accordance with the standards generally adhered to by professionals providing similar services. It is acknowledged that the Services may entail the likelihood of some human and machine errors, omissions, delays, and losses that may result in damage. However, Apex shall not be held liable for such errors, omissions, delays, or losses unless they are caused by its gross negligence or willful misconduct. In the event of any breach of this warranty by Apex, the Client's sole remedy will be limited to Apex's rerunning, at its expense, any inaccurate output provided that such inaccuracies occurred solely as a result of Apex's gross negligence or willful misconduct under this agreement.

9. Limitation of Liability: The Client acknowledges that Apex shall not be held liable for any consequential, special, or incidental damages incurred by the Client in relation to the performance of Services, whether the claim is based on breach of warranty, contract, tort (including negligence), strict liability, or any other grounds. Under no circumstances shall Apex's liability to the Client, for any Losses (including court costs and reasonable attorney's fees), arising out of or in connection with these Terms and Conditions, exceed the total amount charged or chargeable to the Client for the specific service(s) that caused the Losses.

10. Indemnification: The Client agrees to indemnify and hold harmless Apex from any losses, suits, actions, judgments, fines, costs, liabilities, or claims arising from any action or proceeding relating to the Services provided by Apex, regardless of whether or not it results in liability (collectively referred to as "Indemnified Claims"). However, this indemnification provision shall not apply to the extent that such Indemnified Claims are caused by Apex's willful misconduct, gross negligence, or breach of these Terms and Conditions. This provision shall survive termination of the Services.

11. Confidentiality: Apex will uphold strict confidentiality between Apex and the Client and applies to all non-public records, documents, systems, procedures, processes, software, and other information received by either party in connection with the performance of services under these terms. Both Apex and the Client agree to keep confidential all such non-public information, including any material marked or identified as confidential or proprietary. Any such confidential information shall not be disclosed, provided, disseminated, or otherwise made available to any third party, except as required to fulfill the parties' obligations under these terms. The parties acknowledge that in the event of any request to disclose any confidential information in connection with a legal or administrative proceeding, or otherwise to comply with a legal requirement, prompt notice of such request must be given to the other party to enable that party to seek an appropriate protective order or other remedy or to waive compliance with the relevant provisions of these terms. If the Client seeks a protective order or another remedy, Apex, at the Client's expense, will cooperate with and assist the Client in such efforts. If the Client fails to obtain a protective order or waives compliance with the relevant provisions of these terms, Apex will disclose only that portion of the confidential information that it determines it is required to disclose. This confidentiality provision shall survive termination of the services provided. Both parties acknowledge and agree that any breach of this these terms may cause irreparable harm to the non-breaching party and that injunctive relief may be necessary to prevent any actual or threatened breach. The terms set forth between the parties supersede all prior negotiations, understandings, and agreements between the parties concerning confidentiality. These terms may only be amended in writing and signed by both parties.

12. Ownership of the programs, system data, and materials provided by Apex to the Client during the course of providing services herein shall solely belong to Apex. It is acknowledged that fees and expenses paid by the Client do not confer any rights in such property. It is also understood that the said property is made available to the Client solely for the purpose of using it during and in connection with the services provided by Apex.

13. Upon the completion of the administration and unless retention instructions are ordered by the court, Apex will notify the client that it will destroy and/or return all confidential information and property within 90 days upon the client's written request. Alternatively, the material may be stored for one year at a monthly fee of $1.50 per storage box for paper documents and $0.01 per image for electronic copies over a period of three years, which compensates Apex for its electronic and hard-copy storage costs. Apex will not be liable for any damages, liability, or expenses incurred in connection with any delay in delivery of, or damage to disks, magnetic tapes, or any input data provided by the client or its representatives unless Apex has agreed in writing to assume such responsibility.

14. COMPLETE AGREEMENT. These Terms and Conditions, along with the attached Proposal, represent the complete agreement and understanding between the parties and override any prior agreements (whether written or oral) between Apex and the Client regarding the subject matter. Any modification to these Terms and Conditions may only be made in writing and must be signed by both Apex and the Client. The headings in this document are included for convenience only and do not alter or restrict any provisions in these Terms and Conditions. They may not be used in the interpretation of these Terms and Conditions.

15. This provision outlines the requirements for providing notice or other communication under this agreement. All such communications must be in writing and can be delivered either by personal delivery or through U.S. Mail with prepaid postage or overnight courier. Once delivered personally or sent through the mail, the notice will be considered given after five (5) days from the deposit date in the U.S. Mail. Alternatively, if sent through an overnight courier, the notice will be considered given one business day after delivery to the such courier. It's important to note that the notice must be provided to a responsible officer or principal of the Client or Apex, depending on the case.

16. Force Majeure: In the event of any failure or delay in performance due to circumstances beyond Apex's control, including but not limited to strikes, lockouts, fires, floods, acts of God or public enemy, riots, civil disorders, insurrections, war or war conditions, or interference by civil or military authorities, Apex shall not be held liable for any resulting loss or damage. The time for performance under this agreement shall be extended for a period equal to the duration of the disabling cause and a reasonable time thereafter. This provision shall constitute a force majeure clause and shall be construed accordingly.

17. The applicable state and federal laws shall govern the interpretation and enforcement of these Terms and Conditions. No choice of law or conflict of laws provisions shall affect this governing law provision.

18. Severability: This applies to all clauses and covenants contained within these Terms and Conditions. In the event that any clause or covenant is deemed invalid, illegal, or unenforceable, the remaining provisions shall remain valid and enforceable to the fullest extent permissible by law. The validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired by the invalidity, illegality, or unenforceability of any provision deemed so.

19. Nonwaiver: This applies to these Terms and Conditions. This means that any failure by one party to enforce a provision of these terms on one or more occasions shall not be construed as a waiver of that provision. In other words, any failure to enforce a provision does not give up the right to enforce it in the future. All provisions of these Terms and Conditions remain in full force and effect, regardless of any prior failure to enforce them.

EXHIBIT 7

D.LAW, INC.
Roman Shkodnik (SBN 285152)
Amanda Fazio (SBN 346350)
Enoch J. Kim (SBN 261146)
Arianna N. Razi (SBN 356930)
250 N. Madison Avenue
Pasadena, CA 91101-1639
Telephone: (818) 962-6465
Facsimile: (818) 962-6469
Emails: r.shkodnik@d.law, a.fazio@d.law, e.kim@d.law, a.razi@d.law

Attorneys for Plaintiffs ANTHONY CORRALES, ANGELA DIANA PONCE, PRISCILLA ARELLANO, and NATALIE ESPARZA on behalf of themselves and others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

ANTHONY CORRALES, ANGELA DIANA PONCE, PRISCILLA ARELLANO, and NATALIE ESPARZA on behalf of themselves and others similarly situated, Plaintiff, vs. CALERES, INC. dba CALERES, a New York corporation; FAMOUS FOOTWEAR, an entity of unknown form; and DOES 1 through 50, inclusive, Defendants.	Case No. 23CV012350 CLASS ACTION Assigned for All Purposes To: Hon. Jill H. Talley Dept.: 8A **DECLARATION OF WILLIAM ARGUETA OF APEX CLASS ACTION, LLC IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT** Date: December 11, 2026 Time: 9:00 a.m. Dept.: 8A Original Complaint Filed: November 29, 2023 First Amended Complaint Filed: Trial Date: None Set

DECLARATION OF WILLIAM ARGUETA

I, William Argueta, declare as follows:

1. I am a resident of the United States of America and am over the age of 18. I am a Case Manager for Apex Class Action LLC ("Apex"), the professional settlement services provider retained by the Parties' counsel to serve as the proposed Settlement Administrator. I have personal knowledge of the facts set forth herein and, if called as a witness, I could and would competently testify thereto.

2. Apex's team has been directly involved in class action administration for a combined 150 years and has successfully managed numerous class action matters. Our team comprises experienced professionals with extensive knowledge of class action settlement administration. In addition, Apex possesses the technology and infrastructure necessary to efficiently manage large-scale class action matters. Apex utilizes state-of-the-art software and systems to ensure that all aspects of the settlement administration process are completed accurately and efficiently.

3. Pursuant to the terms of the Settlement Agreement, the Parties' counsel requested that Apex determine whether the Modification Provision set forth in Paragraph 1.20 of the Settlement Agreement was triggered, which states "At the January 21, 2025 mediation date, Defendant represented that its data team extrapolated the total number of Workweeks of the Action for the Settlement Class from December 1, 2022 to January 21, 2025 (the "Data Period") as 43,804 workweeks and 1,628 Settlement Class Members and 1,577 Aggrieved Employees. If, prior to the date of the Final Approval Order, the Parties agree or the Court finds that the actual number of workweeks during the Data Period is equal to or greater than (10%) above 43,804 (i.e., more than 48,184) Defendant will either (at its exclusive discretion): (a) increase the Maximum Settlement Amount by the percentage (in whole number increments) that the actual number of workweeks exceeds 10% of the original estimate (e.g., if the total number of workweeks ism 10.3% above the original estimate, the Maximum Settlement Amount would be increased by 1%); or (b) shorten the Settlement Period so that there is no increase above the 10% threshold."

4. On July 30, 2026, counsel for Defendant provided Apex with the Class Data. The Class Data contained the following information for each Class Member: full name, dates of

employment, and the number of Workweeks worked for Defendant during the Class Settlement Period.

5. Apex uploaded the Class Data to its database and conducted a thorough review for duplicates and potential inconsistencies. Based on its review, Apex determined that the Class Data comprised 824 individuals who worked a total of 47,758 Workweeks during the Class Period. Because the total number of Workweeks did not exceed the 48,184 Workweek threshold set forth in Paragraph 1.20 of the Settlement Agreement, Apex determined that the Modification Provision was not triggered. Therefore, the Gross Settlement Amount remains $500,000.00 and the Class Settlement Period and PAGA Settlement Period end dates remain April 21, 2025.

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

Executed this 8th day of October 2026, in Irvine, California.



William Argueta

EXHIBIT 8