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Attorney for ALLINSON MELENDEZ,
DANIELLE MIRANDA, and DALIA GONZALEZ
as Private Attorneys General

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN LUIS OBISPO

STATE OF CALIFORNIA ex rel.
ALLINSON MELENDEZ,
DANIELLE MIRANDA, and DALIA
GONZALEZ, as Private Attorneys
General,

Plaintiff,

v.

COASTHILLS CREDIT UNION; DOES 1
through 25, inclusive,

Defendants.

Case No. 24CV-0284

*Assigned for All Purposes to:
Hon. Tana L. Coates – Dept. 4*

**NOTICE OF MOTION AND PLAINTIFFS’
MOTION FOR APPROVAL OF PAGA
SETTLEMENT; MEMORANDUM OF POINTS
AND AUTHORITIES; DECLARATION OF
RUBEN ESCOBEDO**

Date:
Time:
Dept.:

Trial Date: None

Complaint filed: May 6, 2024

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on _____, 2025, at _____
____.m., or as soon thereafter as this matter may be heard, in Department 4 of the above-referenced
Court, located at 1050 Monterey Street, San Luis Obispo, CA 93408, ALLINSON MELENDEZ,
DANIELLE MIRANDA, and DALIA GONZALEZ ("Plaintiffs"), will and hereby do move this
Court for an order approving the settlement of Plaintiffs’ claims for penalties under the Private

1 Attorneys General Act of 2004 ("PAGA"), as required by Labor Code § 2699(1)(2).

2 As reflected in the settlement agreement attached to the Escobedo Declaration as
3 **Exhibit 2**, Defendant COASTHILLS CREDIT UNION ("Defendant") consents to the approval of
4 the settlement.

5 The grounds for this Motion are that the settlement is fair, reasonable, and advances the
6 purpose of the PAGA and California Labor Code, and should be approved.

7 This Motion is based on this Notice, the parties' settlement agreement, the attached
8 Memorandum of Points and Authorities and Declaration of Ruben Escobedo, the pleadings,
9 records, and files in the case, and such other further oral and documentary evidence which may be
10 submitted at or before the hearing on this Motion.

11 DATED: April 21, 2025

WORKWORLD LAW CORP.
A Professional Corporation

13
14 By: 
15 **RUBEN ESCOBEDO**
16 Attorney for ALLINSON MELENDEZ,
17 DANIELLE MIRANDA, and DALIA
18 GONZALEZ as Private Attorneys General
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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 After exhausting applicable administrative remedies, former employees Allinson
4 Melendez, Danielle Miranda, and Dalia Gonzalez brought this action against Defendant CoastHills
5 Credit Union under the Labor Code Private Attorneys General Act of 2004 (“PAGA”), Labor
6 Code sections 2698, *et seq.* A PAGA action is a “type of *qui tam* action” in which the plaintiff
7 proceeds on behalf of the State of California and shares in the recovery of civil penalties; it “is not
8 a dispute between an employer and an employee arising out of their contractual relationship. It is a
9 dispute between an employer and the *state....*” (*Iskanian v. CLS Transportation Los Angeles, LLC*
10 (2014) 59 Cal.4th 348, 381-382, 386.) “[T]he state is the real party in interest.” (*Id.*, at 387.) Due
11 to this special nature of PAGA actions, the Legislature has required court approval of all PAGA
12 settlements. (Lab. Code, § 2699.3, subd. (b)(4).) Here, the settlement is reasonable; in fact, it
13 assesses a higher amount of civil penalties than the State-wide average for health and safety
14 violations. For this reason, as well as the additional grounds discussed below, the Court should
15 approve the PAGA settlement.

16 **II. RELEVANT BACKGROUND**

17 Plaintiffs filed this action for approximately 19 individuals who experienced the same
18 violations at Defendant’s Nipomo Branch location since February 27, 2023, and the relevant
19 allegations are set forth in Plaintiffs’ Complaint, which is attached to the Escobedo Declaration as
20 Exhibit 1.

21 **A. Plaintiffs’ Allegations**

22 Ms. Gonzalez began working for Defendant in or around November 2020, Ms. Miranda
23 began working for Defendant in or around March 2022, and Ms. Melendez began working at
24 Defendant in or around September 2022. (Complaint, at ¶¶ 18-20.)

25 In the branch where Gonzalez, Miranda, and Melendez worked, Defendant’s employees
26 were exposed to a hazardous chemical leak. (Complaint, at ¶ 21.) At its worst, the branch smelled
27 like a sewer. (Complaint, at ¶ 21.) Customers and employees alike complained that the branch
28 stunk. (Complaint, at ¶ 21.) As a result, Defendant’s employees at the branch became ill.

(Complaint, at ¶ 21.) Employees at the branch began reporting their occupational illnesses to Defendant. (Complaint, at ¶ 21.)

On September 1, 2023, Defendant notified employees that they were prohibited from disclosing to the public information about the hazardous chemicals detected within the Defendant's branch. (Complaint, at ¶ 22.) Unsafe levels of ethanol were detected in the air. (Complaint, at ¶ 22.)

Afterwards, employees began expressing their concerns and questioning Defendant's management more vocally regarding their symptoms and Defendant's efforts to fix the situation. (Complaint, at ¶ 23.) Defendant's management stopped sharing as much information about the chemical hazard with employees and informed employees that management could no longer speak on the subject without Defendant's lawyers. (Complaint, at ¶ 23.)

After exhausting applicable administrative remedies, Plaintiffs filed their Complaint alleging the following causes of action: (1) Violation of Labor Code § 2350¹; (2) Unlawful Confidentiality Order on Employees in Violation of Labor Code Section 1102.5(a)²; (3) Unlawful Confidentiality Order on Employees in Violation of Labor Code Section 232.5³; (4) Failure to Produce Documents Requested by Employees; (5) Failure to Establish, Implement, and Maintain Effective Injury Prevention Program; (6) Violation of Labor Code § 6407⁴; and (7) Permitting Unsafe Work and Failure to Provide Safe Workplace, Practices, and Processes.

¹ "Every factory, workshop, mercantile or other establishment in which one or more persons are employed, shall be kept clean and free from the effluvia arising from any drain or other nuisance...." (Lab. Code § 2350.)

² Labor Code section 1102.5(a) provides in pertinent part: "An employer ... shall not ... preven[t] an employee from disclosing information ... if the employee has reasonable cause to believe that the information discloses a violation of state or federal statute, or a violation of or noncompliance with a local, state, or federal rule or regulation, regardless of whether disclosing the information is part of the employee's job duties."

³ Labor Code § 232.5 provides the following in pertinent part: "No employer may do any of the following: (a) Require, as a condition of employment, that an employee refrain from disclosing information about the employer's working conditions."

⁴ "Every employer and every employee shall comply with occupational safety and health standards, with Section 25910 of the Health and Safety Code, and with all rules, regulations, and (footnote continued)

1 **B. Defendant’s Position**

2 Defendant denied—and continues to deny—all of Plaintiffs’ allegations. (Escobedo Decl.,
3 at ¶ 4.) Defendant has consistently maintained that it goes above and beyond to comply with all
4 requirements of the Labor Code, including those at issue in this case. Defendant contends that
5 Plaintiffs misconstrue the evidence based on their personal experiences and mistaken perception of
6 Defendant’s practices.

7 **C. Discovery**

8 The parties engaged in the necessary formal discovery prior to mediation. Plaintiffs served
9 requests for production listed below which covered the relevant universe of documents, which
10 Defendant produced. (Escobedo Decl., at ¶ 5.) Specifically, Defendant produced the following as
11 relevant to the issues raised in the Complaint in this action:

- 12 • All policies and procedures in the form they are currently made available to
- 13 CoastHills Credit Union’s employees.
- 14 • All former policies and procedures in the form they were made available to
- 15 CoastHills Credit Union’s employees, between February 27, 2023, and the present.
- 16 • All records of employee safety-related meetings kept by CoastHills Credit Union,
- 17 between February 27, 2023, and the present.
- 18 • All safety-training materials made available to CoastHills Credit Union’s
- 19 employees, between February 27, 2023, and the present.
- 20 • All records of injury-or-illness-related inspections conducted by CoastHills Credit
- 21 Union, between February 27, 2023, and the present.
- 22 • All records of work-related injuries sustained by CoastHills Credit Union’s
- 23 employees, between February 27, 2023, and the present.
- 24 • All records of work-related illnesses sustained by CoastHills Credit Union’s
- 25 employees, between February 27, 2023, and the present.

26 _____
27 orders pursuant to this division which are applicable to his own actions and conduct.” (Lab. Code
28 § 6407.)

- All records of CoastHills Credit Union’s evaluation of health hazards in the workplace, between February 27, 2023, and the present.
- All records of CoastHills Credit Union’s retention of others to evaluate health hazards in the workplace, between February 27, 2023, and the present.
- Any other records of the steps taken by CoastHills Credit Union to implement and maintain any injury and illness prevention program between February 27, 2023, and the present.
- All of CoastHills Credit Union’s injury and illness prevention programs in place between February 27, 2023, and the present.

(Escobedo Decl., at ¶ 5.)

Documents produced by CoastHills confirmed that, after Plaintiffs’ separation of employment from the company, Defendant made additional efforts to remediate the health-and-safety issues, the cause of those issues was identified, and many of the problems were, according to Defendant’s internal documents as well as documentation from outside safety consultants retained by CoastHills, resolved. (Escobedo Decl., at ¶ 6.)

To assist in the review of CoastHills document production, Plaintiffs retained a safety expert to consult on the matter. (Escobedo Decl., at ¶ 7.) Plaintiffs’ counsel relied on their expert’s analysis of these issues in assessing the risk of loss in this case, as well as the risk that the trial judge would find that PAGA penalties should be reduced given the not insignificant evidence that CoastHills had in fact taken employees’ health-and-safety complaints seriously and had taken additional remediation steps of which Plaintiffs were not originally aware when they filed this case. (Escobedo Decl., at ¶ 7.)

D. Mediation

On January 31, 2025, the parties attended a mediation of this action with Gail Glick, who is a 30-year lawyer and expert mediator in the field of PAGA litigation. (Escobedo Decl., at ¶ 8.) Following a full day of mediation, the parties accepted a mediator’s proposal to resolve the PAGA action for \$5,040. (Escobedo Decl., at ¶ 8.)

1 **III. THE COURT SHOULD APPROVE THE SETTLEMENT.**

2 Labor Code section 2699, subdivision (l)(2) requires the trial court to review and approve
3 any PAGA settlement, and the California Supreme Court has commented that in doing so, the
4 court “ensur[es] that any negotiated resolution is fair to those affected.” (*Williams v. Superior*
5 *Court* (2017) 3 Cal.5th 531, 549.) In evaluating a PAGA settlement, the Court should evaluate
6 “the strength of the plaintiff’s case, the risk, the stage of the proceeding, the complexity and likely
7 duration of further litigation....” (*Moniz v. Adecco USA, Inc.* (2021) 72 Cal.App.5th 56, 77.) “[A]
8 trial court should evaluate a PAGA settlement to determine whether it is fair, reasonable, and
9 adequate in view of PAGA’s purposes to remediate present labor law violations, deter future ones,
10 and to maximize enforcement of state labor laws.” (*Id.*)

11 Here, each of the enumerated factors listed above supports approval.

12 **A. The Settlement Is Reasonable in Light of the Value of the Claims and the**
13 **Discount Reached in Settlement in Light of Risks to Continuing with**
Litigation.

14 Here, although Plaintiffs were and are confident that they would be able to prove
15 Defendant’s liability and collect a larger amount of civil penalties, Plaintiffs believed accepting
16 \$5,040 was advisable.

17 In the context of PAGA-OSHA claims, the Labor Code provides civil penalties of varying
18 amounts depending on the nature of the employer’s violation:

- 19 • § 6427(a) provides a civil penalty of up to \$12,471 for violations of an occupational
20 safety or health rule of a non-serious nature
21 • § 6428(a) provides a civil penalty of up to \$25,000 for violations of a serious nature
22 • § 6429(a)(1) provides a civil penalty of up to \$124,709 for violations that are willful or
23 repeated by the employer, with a minimum penalty of \$8,908
24 • § 6431 provides a civil penalty of up to \$12,471 for each violation of a posting, notice, or
25 recordkeeping requirement

26 Additionally, applicable regulations prescribe a civil penalty between \$250 and \$162,851.
27 (*See generally* Cal. Code Regs., tit. 8, § 336.)

28 The trial court also has substantial discretion to award civil penalties in an amount far less

1 than the maximum in a PAGA action. (*See Carrington v. Starbucks Corp.* (2018) 30 Cal.App.5th
2 504, 517.)

3 In light of all the circumstances, Plaintiffs’ counsel determined it was uncertain the Court
4 would award a maximum PAGA penalty in light of the evidence that Defendants did in fact
5 attempt to address the underlying health-and-safety issue (the odor in the bank branch), and that
6 Plaintiffs’ criticisms of Defendant’s practices pertained to the details of the manner in which
7 Defendant attempted to comply.

8 **B. The Relief is Genuine, Meaningful, and Consistent with the Statutory**
9 **Purposes of PAGA to Benefit the Public.**

10 In weighing this factor, the Court should determine whether the settlement offers “genuine
11 and meaningful” relief that is “consistent with the underlying purpose of the statute to benefit the
12 public,” the standard adopted in *O’Connor v. Uber Techs., Inc.* (N.D.Cal. 2016) 201 F.Supp.3d
13 1110. Those public policies include ““augmenting the state's enforcement capabilities,
14 encouraging compliance with Labor Code provisions, and deterring noncompliance.”” (*O’Connor*,
15 *supra*, at pp. 1132-1133; *see Williams v. Superior Court* (2017) 3 Cal.5th 531,546 [PAGA “sought
16 to remediate present violations and deter future ones”]; *Arias, supra*, 46 Cal.4th at p. 980 [the
17 declared purpose of PAGA was to augment state enforcement efforts to achieve maximum
18 compliance with labor laws].).

19 The settlement meets this factor as it certainly represents an augmentation of the state’s
20 enforcement capabilities because the settlement will bring additional funds to the State’s coffers
21 for the enforcement of Labor Code violations. (*See* Lab. Code, § 2699(j) [civil penalties shall be
22 used by the State “for enforcement of labor laws”].) It was also highly significant to Plaintiffs’
23 counsel in evaluating this factor as part of the settlement process that the settlement in this case
24 exceeds the \$2,033 average penalty assessed by Cal/OSHA (in whose shoes Plaintiffs stand).
25 (*Escobedo Decl.*, at ¶ 10.) This is a good settlement for the State, which is the only real party in
26 interest in this case.

27 **C. The Court Should Approve the Plan for Distributing the Benefits to Nonparty**
28 **Recipients, Who Will Be Subject to a Limited Release.**

The settlement agreement expressly details the notice, approval, and payment procedures.

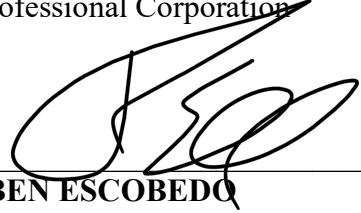
1 These procedures are adequate and reasonable. Attached to the settlement agreement is a notice
2 form to be sent to the aggrieved employees, describing the history of the lawsuit, and the nature of
3 the PAGA claims and settlement. It explains that the lawsuit sought civil penalties for these claims
4 in a representative action. It also explains that the court has approved the settlement. The language
5 is unambiguous and to the extent aggrieved employees have questions, the notice provides the
6 contact information for counsel. The Court should approve the proposed notice.

7 **IV. CONCLUSION**

8 For the foregoing reasons, Plaintiffs respectfully request that this Court grant the PAGA
9 settlement.

10 DATED: April 21, 2025

WORKWORLD LAW CORP.
A Professional Corporation

11
12
13 By: 
14 **RUBEN ESCOBEDO**
15 Attorney for ALLINSON MELENDEZ,
16 DANIELLE MIRANDA, and DALIA
17 GONZALEZ as Private Attorneys General
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DECLARATION OF RUBEN ESCOBEDO

I, Ruben Escobedo, declare as follows:

1. I am an attorney duly licensed to practice law in the State of California and the owner of the law firm of WorkWorld Law, attorneys of record for Allinson Melendez, Danielle Miranda, and Dalia Gonzalez (“Plaintiffs”) in this matter.

2. I have personal knowledge of the matters set forth herein and would and could testify thereto if called as a witness herein.

3. Attached hereto as **Exhibit 1** is a true and correct copy of the Complaint filed in this matter.

4. Defendant denied—and continues to deny—all of Plaintiffs’ allegations. Defendant has consistently maintained that it goes above and beyond to comply with all requirements of the Labor Code, including those at issue in this case. Defendant contends that Plaintiffs misconstrue the evidence based on their personal experiences and mistaken perception of Defendant’s practices.

5. The parties engaged in the necessary formal discovery prior to mediation. Plaintiffs served requests for production listed below which covered the relevant universe of documents, which Defendant produced. Specifically, Defendant produced the following as relevant to the issues raised in the Complaint in this action:

- All policies and procedures in the form they are currently made available to CoastHills Credit Union’s employees.
- All former policies and procedures in the form they were made available to CoastHills Credit Union’s employees, between February 27, 2023, and the present.
- All records of employee safety-related meetings kept by CoastHills Credit Union, between February 27, 2023, and the present.
- All safety-training materials made available to CoastHills Credit Union’s employees, between February 27, 2023, and the present.
- All records of injury-or-illness-related inspections conducted by CoastHills Credit Union, between February 27, 2023, and the present.

- 1 • All records of work-related injuries sustained by CoastHills Credit Union’s employees,
2 between February 27, 2023, and the present.
- 3 • All records of work-related illnesses sustained by CoastHills Credit Union’s
4 employees, between February 27, 2023, and the present.
- 5 • All records of CoastHills Credit Union’s evaluation of health hazards in the workplace,
6 between February 27, 2023, and the present.
- 7 • All records of CoastHills Credit Union’s retention of others to evaluate health hazards
8 in the workplace, between February 27, 2023, and the present.
- 9 • Any other records of the steps taken by CoastHills Credit Union to implement and
10 maintain any injury and illness prevention program between February 27, 2023, and
11 the present.
- 12 • All of CoastHills Credit Union’s injury and illness prevention programs in place
13 between February 27, 2023, and the present.

14 6. Documents produced by CoastHills confirmed that, after Plaintiffs’ separation of
15 employment from the company, Defendant made additional efforts to remediate the health-and-
16 safety issues, the cause of those issues was identified, and many of the problems were, according
17 to Defendant’s internal documents as well as documentation from outside safety consultants
18 retained by CoastHills, resolved.

19 7. To assist in the review of CoastHills document production, Plaintiffs retained a
20 safety expert to consult on the matter. Plaintiffs’ counsel relied their expert’s analysis of these
21 issues in assessing the risk of loss in this case, as well as the risk that the trial judge would find
22 that PAGA penalties should be reduced given the not insignificant evidence that CoastHills had in
23 fact taken employees’ health-and-safety complaints seriously and had taken additional remediation
24 steps of which Plaintiffs were not originally aware when they filed this case.

25 8. On January 31, 2025, the parties attended a mediation of this action with Gail
26 Glick, who is a 30-year lawyer and expert mediator in the field of PAGA litigation. Following a
27 full day of mediation, the parties accepted a mediator’s proposal to resolve the PAGA action for
28 \$5,040.

1 9. Following mediation, the parties reached a settlement agreement, subject to the
2 Court's approval as required by the PAGA. A true and correct copy of the settlement agreement is
3 attached hereto as **Exhibit 2**.

4 10. A key consideration in the decision to settle this matter for \$5,040 is my research
5 indicating that California's average penalty amount assessed by Cal/OSHA for employer
6 violations of the Labor Code is \$2,033, according to an article recently published by Ogletree
7 Deakins. A true and correct copy of the article is attached hereto as **Exhibit 3**.

8 11. To avoid further duplication of matters set forth in the Memorandum of Points and
9 Authorities submitted concurrently herewith, I incorporate all matters set forth in the
10 Memorandum of Points and Authorities herein as if they were fully set forth in this declaration. I
11 have reviewed the Memorandum of Points and Authorities and everything therein truthfully
12 reflects my investigation, analysis, and reasoning for entering into the settlement agreement.

13 12. I am submitting this declaration in support of Plaintiffs' motion for approval of the
14 settlement. I have been active in the legal community since 2007, when I obtained a paralegal
15 certification from Fullerton College and started my first position as a law clerk prior to law school.
16 I started my legal career at the Los Angeles City Attorney's Office, where I gained early trial
17 experience and an interest in representing public servants. I attended California State University
18 Long Beach, where I earned a B.A. majoring in Political Science with an emphasis in Public Law.
19 My senior thesis studied the political aspects of trial strategy and settlement decision-making in
20 local government.

21 13. I attended law school at Chapman University School of Law (Fowler), and
22 graduated *cum laude* in 2011. My law school training included time at Raytheon Space and
23 Airborne Systems' legal department, where I assisted with unique transactional matters alongside
24 former JAG attorneys. I participated in moot court and served as a teaching assistant. My paper,
25 Achieving the Goals of Sentencing Tax Evaders After United States v. Booker, Vol. 2 Chapman
26 Journal of Criminal Justice 275 (2011), was published in the Chapman Journal of Criminal Justice,
27 where I was a member. I passed the California Bar Examination and obtained my law license in
28 2011.

1 14. I also volunteered for the AMVETS Legal Clinic, a pro-bono legal clinic for
2 military service personnel. I earned awards for highest marks in several law school courses,
3 including civil procedure and employment law.

4 15. From 2010-2013, during and after law school, I joined a small firm. My first
5 formal law firm training was provided by Mohammed K. Ghods, who was previously a
6 shareholder in the national law firm of Ross, Dixon & Bell, LLP before that firm's merger with
7 Troutman Sanders (nka Troutman Pepper). I handled various business and employment matters
8 for the firm's clients

9 16. From 2013-2020, I was an associate and later a partner at the law firm of Lynberg
10 & Watkins, where I primarily defended private businesses in employment litigation and
11 municipalities in employment & personal injury litigation from 2013 to 2020. I have litigated
12 across the state, including Orange County, Riverside County, Los Angeles, San Diego County,
13 San Bernardino County, Santa Barbara County, Kern County, Merced County, Tulare County, San
14 Luis Obispo County, Contra Costa Counta, Alameda County, Placer County, Santa Clara County,
15 San Francisco, Sacramento County, and San Joaquin County. I have tried cases successfully to
16 verdict, both as lead counsel and second chair. I was lead counsel in the retrial following the
17 Court of Appeal's reversal in *Butts v. Board of Trustees of California State University* (2014) 225
18 Cal.App.4th 825. On remand, against the Plaintiffs' demand for over \$7 million, I secured a
19 complete defense verdict which was affirmed on appeal in Second District Court of Appeal Case
20 No. B282452 (Mar. 13, 2019) (unpublished). I have represented both employees and employers
21 throughout my career.

22 17. I have successfully litigated employment cases in many industries, including
23 Agriculture, Construction & Maintenance, Food Service, Education, Healthcare, Hotel &
24 Hospitality, Janitorial, Manufacturing, Public Safety, Professional Occupations, Retail,
25 Technology / IT, and Transportation & Distribution. In 2020, I transitioned to a solo practice
26 where I continue my work primarily in private sector employment litigation on behalf of
27 employers and employees.

28 18. I am licensed to practice before the U.S. Court of Appeals for the Ninth Circuit and

1 the U.S. District Courts for the Central, Eastern, Southern, and Northern Districts of California.

2 19. I am a member of the American Society of Legal Writers, National Order of
3 Scribes, Northern Santa Barbara County Bar Association, and San Luis Obispo County Bar
4 Association. I have also been awarded the Rutan & Tucker, LLP Golden Quill Legal Writing
5 Award. In 2024-2025, I was a member of an ABA committee on occupational health & safety
6 law. I have spoken at conferences and MCLE events on various topics, including employment law
7 matters.

8 20. I have served as counsel either for the prosecution or defense in connection with
9 many class and representative PAGA actions throughout my career.

10 21. In this case, I determined it was proper and in the best interest of all concerned to
11 explore early settlement as an option to resolve the case. As mentioned above, the Memorandum
12 of Points and Authorities and everything therein truthfully reflects my investigation, analysis, and
13 reasoning for entering into the settlement agreement. The Parties ultimately memorialized their
14 agreement in a comprehensive agreement. The settlement agreement expressly details the notice
15 procedures, including the notice letter Plaintiff proposes to be sent to the aggrieved employees,
16 describing the history of the lawsuit, and the nature of the PAGA claims and settlement.

17 22. In sum, given the nature of the alleged violations, potential recovery, and concerns
18 regarding manageability, it is my considered opinion that \$5,040 was a fair and reasonable amount
19 for settlement. The settlement is the result of arms-length and non-collusive negotiations. I
20 concluded that alternative dispute resolution was beneficial to all concerned due to the significant
21 challenges the case faced regarding the uncertain manageability questions involved in this case.
22 The parties concluded it was desirable that this action be settled in order to avoid the further
23 expense, inconvenience, and burden of further legal proceedings, as well as the uncertainties of
24 trial and appeals. The settlement negotiations occurred only after counsel had the opportunity to
25 conduct a thorough independent investigation of the facts and after Defendants provided necessary
26 documents and data through formal discovery conducted as well as through the mediation process.

27 23. Although we believe that Plaintiffs' claims are meritorious, Plaintiff faced
28 substantial risks in trying to overcome manageability hurdles and obtain the judgment sought

1 against Defendant's in this matter. The realistic range of outcomes for this litigation was
2 discounted due to an analysis of Defendant's defense to each claim and the risk that the court may
3 determine that a trial was not manageable, as well as trial and any appeals.

4 24. I also understand that even if Plaintiff were ultimately successful in litigating this
5 matter to a favorable judgment after trial, recovery would likely not materialize until after a
6 lengthy appellate process. By contrast, the settlement provides immediate benefits to all
7 concerned in the form of monetary penalties, which is designed to increase compliance with the
8 Labor Code and improve conditions in the workplace. Under these circumstances, and in light of
9 the risks to all parties inherent in further litigation, it was reasonable for the parties to elect to
10 settle their differences in this manner. Therefore, after contentious negotiations, the parties
11 entered into the Settlement, recognizing the potential risks both sides would face if litigation of
12 this action continued.

13 25. The parties also agreed that ILYM Group shall serve as the administrator. The
14 anticipated cost is \$1,00, which is reasonable and should be approved.

15 26. As required by Labor Code § 2699(1)(2), prior to submitting this motion and
16 declaration, on April 21, 2025, I submitted this motion and all exhibits (including the settlement
17 agreement) to the LWDA for review, including the name of the Court, case number, the gross
18 settlement amount, and proposed amount of penalties to be paid to the LWDA. As of the time of
19 filing this declaration, the LWDA has not objected to the proposed settlement or allocation. I have
20 also not received any objection from anyone else.

21 27. I respectfully request that the Court grant the present motion, and approve the
22 proposed settlement.

23 I declare under penalty of perjury under the laws of the State of California that the
24 foregoing is true and correct. Executed this 21st day of April, 2025.

25
26
27 By: _____

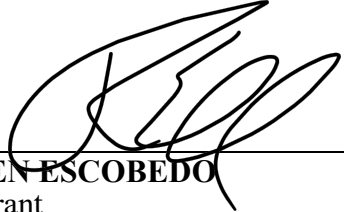

RUBEN ESCOBEDO
Declarant

EXHIBIT 1

EXHIBIT 1

SAN LUIS OBISPO SUPERIOR COURT
 BY Carol L. McGolrick
 Carol L. McGolrick, Deputy Clerk

RUBEN ESCOBEDO (SBN 277866)
 WORKWORLD LAW CORP.
 A Professional Corporation
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Attorney for ALLINSON MELENDEZ,
 DANIELLE MIRANDA, and DALIA GONZALEZ
 as Private Attorneys General

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN LUIS OBISPO

STATE OF CALIFORNIA ex rel.
 ALLINSON MELENDEZ,
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 GONZALEZ, as Private Attorneys
 General,

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v.

COASTHILLS CREDIT UNION; DOES 1
 through 25, inclusive,

Defendants.

Case No. 24CV-0284

Assigned for All Purposes to:

**COMPLAINT FOR CIVIL PENALTIES
 UNDER THE PRIVATE ATTORNEYS
 GENERAL ACT**

[Unlimited Civil Case – Exceeds \$35,000]

Trial Date:

Complaint filed:

COMES NOW Plaintiff STATE OF CALIFORNIA ex rel. ALLINSON MELENDEZ,
 DANIELLE MIRANDA, and DALIA GONZALEZ, as Private Attorneys General (“Plaintiff”),
 who asserts claims against Defendant COASTHILLS CREDIT UNION and DOES 1 through 25,
 inclusive (collectively “Employer” or “Defendants”) as follows:

INTRODUCTION

1. Plaintiff brings this action under the Labor Code Private Attorneys General Act of
 2004 (“PAGA”), Labor Code sections 2698, *et seq.* A PAGA action is a “type of *qui tam* action”
 in which the plaintiff proceeds on behalf of the State of California and shares in the recovery of
 civil penalties; it “is not a dispute between an employer and an employee arising out of their

1 contractual relationship. It is a dispute between an employer and the *state....*" *Iskanian v. CLS*
2 *Transportation Los Angeles, LLC* (2014) 59 Cal.4th 348, 381-382, 386. "[T]he State is the real
3 party in interest." *Id.*, at 387.

4 2. Accordingly, Ms. Melendez, Ms. Miranda, and Ms. Gonzalez are not suing in their
5 individual capacity; they are proceeding herein solely under the PAGA on behalf of themselves,
6 approximately 500 similarly situated current and former aggrieved employees employed by
7 Employer between February 27, 2023, and the conclusion of the action ("Statutory Period"), and
8 the People of the State of California (collectively "Employees").

9 3. PAGA, specifically Section 2699, subdivision (a) of the California Labor Code,
10 permits an aggrieved employee to recover civil penalties set forth within the California Labor
11 Code for violations of the California Labor Code. In addition, Section 2699(f) establishes civil
12 penalties for violations of California Labor Code provisions that do not contain their own civil
13 penalties. Plaintiff brings this civil action to recover civil penalties for the violations identified
14 below. Those civil penalties are sought for violations committed against Employees of Defendant.

15 4. Plaintiff brings this action for violations of occupational health-and-safety
16 provisions of the California Labor Code. Defendants subjected Employees to these violations,
17 some of which caused injury while some of which did not necessarily cause injury. This action
18 does not seek compensation for any injury, however; the PAGA provides for civil penalties, not
19 for injuries to employees, but for violations of the California Labor Code.

20 5. Pursuant to Section 2699.3, Plaintiff sent proper notices to the California Labor and
21 Workforce Development Agency, the Division of Occupational Safety and Health, and Defendant,
22 of the specific provisions of the California Labor Code alleged to have been violated, including the
23 facts and theories to support the alleged violation. A copy of Plaintiff's PAGA notices of claims
24 are attached hereto as **Exhibits 1 and 2**.

25 6. Neither the LWDA nor the Division of Occupational Safety and Health inspected
26 or investigated the violations within the time provided by law. Additionally, with respect to those
27 violations that were curable under Subdivisions (b)(1) and/or (c)(1), Defendant failed to invoke its
28 option to cure the violations within the time provided under PAGA.

1 7. Plaintiff and Employees are, therefore, entitled to all available civil penalties, in
2 addition to Plaintiff's costs and attorneys' fees.

3 **JURISDICTION AND VENUE**

4 8. This Court has jurisdiction over this action pursuant to the California Constitution,
5 Article VI, §10.

6 9. Venue is proper in this Court because this action arises from Defendant's
7 employment of Plaintiffs in San Luis Obispo County.

8 **PARTIES**

9 10. For all times relevant herein, ALLINSON MELENDEZ was an adult individual
10 residing in California. Ms. Melendez is not suing in her individual capacity; she is proceeding
11 herein solely under the PAGA on behalf of the State of California for all aggrieved employees,
12 including herself.

13 11. For all times relevant herein, DANIELLE MIRANDA was an adult individual
14 residing in California. Ms. Miranda is not suing in her individual capacity; she is proceeding
15 herein solely under the PAGA on behalf of the State of California for all aggrieved employees,
16 including herself.

17 12. For all times relevant herein, DALIA GONZALEZ was an adult individual residing
18 in California. Ms. Gonzalez is not suing in her individual capacity; she is proceeding herein solely
19 under the PAGA on behalf of the State of California for all aggrieved employees, including
20 herself.

21 13. For all times relevant herein, Defendant COASTHILLS CREDIT UNION, was and
22 is a California business entity with its principal place of business in California.

23 14. Whenever in this Complaint reference is made to any act, deed, or conduct of
24 Defendants, the allegation means that Defendants engaged in the act, deed, or conduct by or
25 through one or more of its agents, employees, or representatives, who was actively engaged in the
26 management, direction, control, or transaction of the business and affairs of Defendants.

27 15. Plaintiff is ignorant of the true names and capacities, whether individual, corporate,
28 associate, or otherwise, of the defendants sued herein as Does 1 through 25, inclusive, and

1 therefore sues said defendants (the “Doe Defendants”) by such fictitious names. Plaintiff will
2 amend this Complaint to insert the true names and capacities of the Doe Defendants at such time
3 as the identities of the Doe Defendants are ascertained.

4 16. Plaintiff is informed and believes, and based thereon alleges, that the Doe
5 Defendants are the partners, agents, or principals and co-conspirators of Defendants, and of each
6 other; that Defendants and the Doe Defendants performed the acts and conduct herein alleged
7 directly, aided and abetted the performance thereof, or knowingly acquiesced in, ratified, and
8 accepted the benefits of such acts and conduct, and therefore each of the Doe Defendants is liable
9 to the extent of the liability of Defendants as alleged herein.

10 17. Plaintiff is further informed and believe, and thereon allege, that at all times herein
11 material, each Defendant was completely dominated and controlled by its co-Defendant(s) and
12 each was the alter ego of the other. Whenever and wherever reference is made in this Complaint to
13 any conduct by Defendants, or any of them, such allegations and references shall also be deemed
14 to mean the conduct of each of the Defendants, acting individually, jointly, and severally.
15 Whenever and wherever reference is made to individuals who are not named as defendants in this
16 Complaint, but were employees and/or agents of Defendants, such individuals at all relevant times
17 acted on behalf of Defendants named in this Complaint within the scope of their respective
18 employment or agency with Defendants.

19 **FACTS COMMON TO ALL CAUSES OF ACTION**

20 18. Ms. Gonzalez began working for Defendant in or around November 2020.

21 19. Ms. Miranda began working for Defendant in or around March 2022.

22 20. Ms. Melendez began working at Defendant in or around September 2022.

23 21. In the branch where Gonzalez, Miranda, and Melendez worked, Defendant’s
24 employees were exposed to a hazardous chemical leak. At its worst, the branch smelled like a
25 sewer. Customers and employees alike complained that the branch stunk. As a result,
26 Defendant’s employees at the branch became ill. Employees at the branch began reporting their
27 occupational illnesses to Defendant.

22. On September 1, 2023, Defendant notified employees that they were prohibited from disclosing to the public information about the hazardous chemicals detected within the Defendant's branch. Unsafe levels of ethanol were detected in the air.

23. Afterwards, employees began expressing their concerns and questioning Defendant's management more vocally regarding their symptoms and Defendant's efforts to fix the situation. Defendant's management stopped sharing as much information about the chemical hazard with employees and informed employees that management could no longer speak on the subject without Defendant's lawyers.

24. Employees bring this action to remedy these and other violations of the California Labor Code discussed below.

FIRST CAUSE OF ACTION

Violation of Labor Code § 2350

(By Plaintiff against All Defendants)

25. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

26. “Every factory, workshop, mercantile or other establishment in which one or more persons are employed, shall be kept clean and free from the effluvia arising from any drain or other nuisance....” Lab. Code § 2350.

27. In violation of the foregoing, during the Statutory Period Defendant failed to keep its bank branch free from offensive smells (i.e., effluvia) arising from a drain or other nuisance at or near the branch where Employees including Gonzalez, Miranda, and Melendez worked. As a result, Defendant is liable for civil penalties.

28. Defendants are subject to civil penalties as provided by law.

SECOND CAUSE OF ACTION

Unlawful Confidentiality Order on Employees in Violation of Labor Code Section 1102.5(a)

(By Plaintiff against All Defendants)

29. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

30. Labor Code section 1102.5(a) provides in pertinent part: “An employer, or any person acting on behalf of the employer, shall not make, adopt, or enforce any rule, regulation, or policy preventing an employee from disclosing information to a government or law enforcement agency, to a person with authority over the employee, or to another employee who has authority to investigate, discover, or correct the violation or noncompliance, or from providing information to, or testifying before, any public body conducting an investigation, hearing, or inquiry, if the employee has reasonable cause to believe that the information discloses a violation of state or federal statute, or a violation of or noncompliance with a local, state, or federal rule or regulation, regardless of whether disclosing the information is part of the employee’s job duties.”

31. In violation of the foregoing, during the Statutory Period Defendant made and adopted a rule prohibiting employees from reporting elevated and unsafe ethanol levels in violation of the Labor Code and Title 8 of the California Code of Regulations outside the branch, including to Cal/OSHA and others. Defendant is subject to additional civil penalties as provided by law.

32. Defendants are subject to civil penalties as provided by law.

THIRD CAUSE OF ACTION

Unlawful Confidentiality Order on Employees in Violation of Labor Code Section 232.5

(By Plaintiff against All Defendants)

33. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

34. Labor Code § 232.5 provides the following in pertinent part: “No employer may do any of the following: (a) Require, as a condition of employment, that an employee refrain from disclosing information about the employer’s working conditions.”

35. In violation of the foregoing, during the Statutory Period Defendant required as a condition of employment to refrain from disclosing information about Employees' working conditions.

36. Defendants are subject to civil penalties as provided by law.

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1 **FOURTH CAUSE OF ACTION**

2 **Failure to Produce Documents Requested by Employees**

3 **(By Plaintiff against All Defendants)**

4 37. Plaintiff incorporates by reference and realleges each and every allegation
5 contained above, as though fully set forth herein.

6 38. "If an employee or applicant signs any instrument relating to the obtaining or
7 holding of employment, he shall be given a copy of the instrument upon request." Lab. Code, §
8 432.

9 39. During the Statutory Period Employees requested from Defendant all documents
10 they signed. In violation of the foregoing statute, Defendant withheld the entirety of various
11 documents. Instead, Defendant produced to the requesting Employees only the last or signature
12 page of the instrument rather than the instrument itself. Defendant violated its statutory duty and
13 is subject to additional civil penalties as a result.

14 40. In violation of Labor Code section 6407, Defendant also failed to produce a copy of
15 its injury prevention program in a timely manner upon receipt of Employees' written
16 authorizations and valid requests being made by Employees' designated representative. To date,
17 Defendant has not produced any plan materials. Defendant is subject to additional civil penalties
18 as provided by law.

19 41. Defendants are subject to civil penalties as provided by law.

20 **FIFTH CAUSE OF ACTION**

21 **Failure to Establish, Implement, and Maintain Effective Injury Prevention Program**

22 **(By Plaintiff against All Defendants)**

23 42. Plaintiff incorporates by reference and realleges each and every allegation
24 contained above, as though fully set forth herein.

25 43. "Every employer shall establish, implement, and maintain an effective injury
26 prevention program. The program shall be written, except as provided in subdivision (e), and shall
27 include, but not be limited to, the following elements: (1) Identification of the person or persons
28 responsible for implementing the program. (2) The employer's system for identifying and

1 evaluating workplace hazards, including scheduled periodic inspections to identify unsafe
2 conditions and work practices. (3) The employer's methods and procedures for correcting unsafe
3 or unhealthy conditions and work practices in a timely manner. (4) An occupational health and
4 safety training program designed to instruct employees in general safe and healthy work practices
5 and to provide specific instruction with respect to hazards specific to each employee's job
6 assignment. (5) The employer's system for communicating with employees on occupational health
7 and safety matters, including provisions designed to encourage employees to inform the employer
8 of hazards at the worksite without fear of reprisal. (6) The employer's system for ensuring that
9 employees comply with safe and healthy work practices, which may include disciplinary action."
10 Lab. Code, 6401.7, subd. (a). "The employer shall correct unsafe and unhealthy conditions and
11 work practices in a timely manner based on the severity of the hazard." Lab. Code, 6401.7, subd.
12 (b).

13 44. "The employer shall train all employees when the training program is first
14 established, all new employees, and all employees given a new job assignment, and shall train
15 employees whenever new substances, processes, procedures, or equipment are introduced to the
16 workplace and represent a new hazard, and whenever the employer receives notification of a new
17 or previously unrecognized hazard." Lab. Code, 6401.7, subd. (c). "The employer shall keep
18 appropriate records of steps taken to implement and maintain the program." Lab. Code, 6401.7,
19 subd. (d). The standards board shall adopt a standard setting forth the employer's duties under this
20 section...." Lab. Code, 6401.7, subd. (e)(1).

21 45. To substantially comply with Section 6401.7, pursuant to regulations the employer
22 must provide adequate meetings, training programs, posting, written communications, a system of
23 anonymous notification by employees about hazards, labor/management safety and health
24 committees, or any other means that ensures communication with employees. Moreover, records
25 of the steps taken to implement and maintain the Program shall include: (1) Records of scheduled
26 and periodic inspections to identify unsafe conditions and work practices, including person(s)
27 conducting the inspection, the unsafe conditions and work practices that have been identified and
28 action taken to correct the identified unsafe conditions and work practices. These records shall be

1 maintained for at least one (1) year; and (2) Documentation of safety and health training for each
2 employee, including employee name or other identifier, training dates, type(s) of training, and
3 training providers.

4 46. Throughout the Statutory Period, Defendant failed to establish, implement, and
5 maintain an effective injury and illness prevention program. Defendant failed to perform periodic
6 inspections to identify unsafe conditions and work practices, particularly those concerning
7 ergonomics, repetitive motion injuries, work-related driving, workplace violence, chemical
8 exposure protection, and other workplace risks facing the Employees. Defendant also failed to
9 provide occupational health and safety training designed to instruct Employees in general safe and
10 healthy work practices and to provide specific instruction with respect to hazards specific to each
11 Employee's job assignment; Defendant failed to provide such training to Employees or any
12 indication that any Employees attended any safety training.

13 47. There was also ineffective communication between Employees and Defendant on
14 occupational health and safety matters regarding the foregoing issues. Employees complained to
15 management about problems existing in Defendant's facility but Defendant informed employees
16 that management could no longer speak to employees about safety-related issues without
17 involving Defendant's lawyers.

18 48. Defendant failed to provide adequate meetings, training programs, posting, written
19 communications, a system of anonymous notification by employees about hazards,
20 labor/management safety and health committees, or any other means that ensures communication
21 with employees regarding health and safety conditions and workplace injury and illness reporting.
22 Defendant is subject to additional civil penalties as provided by law.

23 **SIXTH CAUSE OF ACTION**

24 **Violation of Labor Code § 6407**

25 **(By Plaintiff against All Defendants)**

26 49. Plaintiff incorporates by reference and realleges each and every allegation
27 contained above, as though fully set forth herein.

1 50. “Every employer and every employee shall comply with occupational safety and
2 health standards, with Section 25910 of the Health and Safety Code, and with all rules,
3 regulations, and orders pursuant to this division which are applicable to his own actions and
4 conduct.” Lab. Code § 6407.

5 51. Throughout the Statutory Period, Defendant failed to provide effective training to
6 Employees on hazardous chemicals in their work area at the time of their initial assignment, and
7 whenever a new chemical hazard was introduced into their work area. Defendant failed to
8 provide any training regarding the measures Employees can take to protect themselves and
9 appropriate work practices to avoid injury and illness. Defendant is subject to additional civil
10 penalties as provided by law.

11 52. Defendants are subject to civil penalties as provided by law.

12 **SEVENTH CAUSE OF ACTION**

13 **Permitting Unsafe Work and Failure to Provide Safe Workplace, Practices, and Processes**

14 **(By Plaintiff against All Defendants)**

15 53. Plaintiff incorporates by reference and realleges each and every allegation
16 contained above, as though fully set forth herein.

17 54. By committing the acts and omissions described in the preceding sections
18 throughout Employees’ employment, Employer also violated Labor Code, §§ 6400, 6401, 6402,
19 6403, 6404 by requiring and permitting unsafe work, and failing to provide safe workplaces,
20 practices, and processes to its Employees. Employer is subject to additional civil penalties as
21 provided by law.

22 55. Defendants are subject to civil penalties as provided by law.

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PRAYER

WHEREFORE, Plaintiff and Employees pray for judgment against Defendants, as follows:

1. For all civil penalties provided by law and according to proof;
2. For reasonable costs and attorneys' fees under the PAGA and Code of Civil Procedure section 1021.5; and
3. For such other and further relief as the Court deems proper.

DATED: May 6, 2024

WORKWORLD LAW CORP.
A Professional Corporation

By: 
RUBEN ESCOBEDO
Attorney for ALLINSON MELENDEZ,
DANIELLE MIRANDA, and DALIA
GONZALEZ as Private Attorneys General

EXHIBIT 1



WORKWORLD LAW

6907 El Camino Real, Suite A
Atascadero, CA 93422
support@workworldlaw.com
(805) 335-2476
(805) 892-6213 (Fax)

February 27, 2024

VIA ELECTRONIC FILING

CALIFORNIA LABOR AND
WORKFORCE DEVELOPMENT AGENCY
ATTN. PAGA ADMINISTRATOR
455 GOLDEN GATE AVENUE, 10TH FLOOR
SAN FRANCISCO, CA 94102

CALIFORNIA DIVISION OF
OCCUPATIONAL SAFETY AND HEALTH
455 GOLDEN GATE AVE., RM. 9516
SAN FRANCISCO, CA 94102

VIA U.S. CERTIFIED MAIL

CoastHills Credit Union
1075 Betteravia Road
Santa Maria, CA 93454

CoastHills Credit Union
PO Box 8000
Santa Maria, CA 93456-8000

**Re: Dalia Gonzalez, Danielle Miranda, and Allinson Melendez's Notice of
Claims/Labor Code Private Attorneys General Act of 2004, California Labor Code
§§ 2698, *et seq.***

To the California Division of Occupational Safety and Health, California Labor and
Workforce Development Agency, and CoastHills Credit Union ("Coast Hills"):

WorkWorld Law Corp. represents Dalia Gonzalez, Danielle Miranda, and Allinson
Melendez who intend to bring an action under the Private Attorneys General Act of 2004
("PAGA"), Labor Code sections 2698, *et seq.*, on behalf of themselves, approximately 500
similarly situated current and former aggrieved employees employed by Coast Hills throughout
the State of California between February 27, 2023, and the conclusion of the action ("Statutory
Period"), and the People of the State of California (collectively "Employees").

PAGA, specifically Section 2699 of the California Labor Code, permits an aggrieved employee to recover civil penalties set forth within the California Labor Code for violations of the California Labor Code. In addition, Section 2699(f) establishes civil penalties for violations of California Labor Code provisions that do not contain their own civil penalties. Employees intend to bring a civil action to recover civil penalties for the violations identified below, including civil penalties pursuant to Section 2699, subdivision (f) as well as those civil penalties specifically set forth within the text of the California Labor Code. Those penalties are sought for violations committed against Employees of Coast Hills.

* * *

Ms. Gonzalez began working for Coast Hills in or around November 2020.

Ms. Miranda began working for Coast Hills in or around March 2022.

Ms. Melendez began working at Coast Hills in or around September 2022.

In the branch where Gonzalez, Miranda, and Melendez worked, Coast Hills employees were exposed to a hazardous chemical leak. At its worst, the branch smelled like a sewer. Customers and employees alike complained that the branch stunk. As a result, Coast Hills employees at the branch became ill. Employees at the branch began reporting their occupational illnesses to Coast Hills.

On September 1, 2023, Coast Hills notified employees that they were prohibited from disclosing to the public information about the hazardous chemicals detected within the Coast Hills branch. Unsafe levels of ethanol were detected in the air.

Afterwards, employees began expressing their concerns and questioning Coast Hills management more vocally regarding their symptoms and Coast Hills' efforts to fix the situation. Coast Hills management stopped sharing as much information about the chemical hazard with employees and informed employees that management could no longer speak on the subject without Coast Hills' lawyers.

Employees seek to bring this action to remedy these and other violations of the California Labor Code discussed below.

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Pursuant to Section 2699.3, the specific provisions of the California Labor Code alleged to have been violated, including the facts and theories to support the alleged violation, are as follows:

A. Violation of Labor Code § 2350

“Every factory, workshop, mercantile or other establishment in which one or more persons are employed, shall be kept clean and free from the effluvia arising from any drain or other nuisance....” Lab. Code § 2350.

Employees incorporate the foregoing sections herein. In violation of the foregoing, during the Statutory Period Coast Hills failed to keep its bank branch free from offensive smells (i.e., effluvia) arising from a drain or other nuisance at or near the branch where Employees including Gonzalez, Miranda, and Melendez worked. As a result, Coast Hills is liable for civil penalties.

B. Unlawful Confidentiality Order on Employees in Violation of Labor Code Section 1102.5(a)

Labor Code section 1102.5(a) provides in pertinent part: “An employer, or any person acting on behalf of the employer, shall not make, adopt, or enforce any rule, regulation, or policy preventing an employee from disclosing information to a government or law enforcement agency, to a person with authority over the employee, or to another employee who has authority to investigate, discover, or correct the violation or noncompliance, or from providing information to, or testifying before, any public body conducting an investigation, hearing, or inquiry, if the employee has reasonable cause to believe that the information discloses a violation of state or federal statute, or a violation of or noncompliance with a local, state, or federal rule or regulation, regardless of whether disclosing the information is part of the employee’s job duties.”

Employees incorporate the foregoing sections herein. In violation of the foregoing, during the Statutory Period Coast Hills made and adopted a rule prohibiting employees from reporting elevated and unsafe ethanol levels in violation of the Labor Code and Title 8 of the California Code of Regulations outside the branch, including to Cal/OSHA and others. Coast Hills is subject to additional civil penalties as provided by law.

C. Unlawful Confidentiality Order on Employees in Violation of Labor Code Section 232.5

Labor Code § 232.5 provides the following in pertinent part: “No employer may do any of the following: (a) Require, as a condition of employment, that an employee refrain from disclosing information about the employer’s working conditions.”

Employees incorporate the foregoing sections herein. In violation of the foregoing, during the Statutory Period Coast Hills required as a condition of employment to refrain from disclosing information about Employees’ working conditions.

D. Failure to Produce Documents Requested by Employees

“If an employee or applicant signs any instrument relating to the obtaining or holding of employment, he shall be given a copy of the instrument upon request.” Lab. Code, § 432.

Employees incorporate the foregoing sections herein. During the Statutory Period Employees requested from Coast Hills all documents they signed. In violation of the foregoing statute, Coast Hills withheld the entirety of various documents. Instead, Coast Hills produced to the requesting Employees only the last or signature page of the instrument rather than the instrument itself. Coast Hills violated its statutory duty and is subject to additional civil penalties as a result.

In violation of Labor Code section 6407, Coast Hills also failed to produce a copy of its injury prevention program in a timely manner upon receipt of Employees’ written authorizations and valid requests being made by Employees’ designated representative. To date, Coast Hills has not produced any plan materials. Coast Hills is subject to additional civil penalties as provided by law.

E. Failure to Establish, Implement, and Maintain Effective Injury and Illness Prevention Program

“Every employer shall establish, implement, and maintain an effective injury prevention program. The program shall be written, except as provided in subdivision (e), and shall include, but not be limited to, the following elements: (1) Identification of the person or persons responsible for implementing the program. (2) The employer’s system for identifying and evaluating workplace hazards, including scheduled periodic inspections to identify unsafe conditions and work practices. (3) The employer’s methods and procedures for correcting unsafe or unhealthy conditions and work practices in a timely manner. (4) An occupational health and safety training program designed to instruct employees in general safe and healthy work practices and to provide specific instruction with respect to hazards specific to each employee’s job assignment. (5) The employer’s system for communicating with employees on occupational health and safety matters, including provisions designed to encourage employees to inform the employer of hazards at the worksite without fear of reprisal. (6) The employer’s system for ensuring that employees comply with safe and healthy work practices, which may include disciplinary action.” Lab. Code, 6401.7, subd. (a). “The employer shall correct unsafe and unhealthy conditions and work practices in a timely manner based on the severity of the hazard.” Lab. Code, 6401.7, subd. (b).

“The employer shall train all employees when the training program is first established, all new employees, and all employees given a new job assignment, and shall train employees whenever new substances, processes, procedures, or equipment are introduced to the workplace and represent a new hazard, and whenever the employer receives notification of a new or previously unrecognized hazard.” Lab. Code, 6401.7, subd. (c). “The employer shall keep appropriate records of steps taken to implement and maintain the program.” Lab. Code, 6401.7, subd. (d). The standards board shall adopt a standard setting forth the employer’s duties under this section....” Lab. Code, 6401.7, subd. (e)(1).

To substantially comply with Section 6401.7, pursuant to regulations the employer must provide adequate meetings, training programs, posting, written communications, a system of anonymous notification by employees about hazards, labor/management safety and health committees, or any other means that ensures communication with employees. Moreover, records of the steps taken to implement and maintain the Program shall include: (1) Records of scheduled and periodic inspections to identify unsafe conditions and work practices, including person(s) conducting the inspection, the unsafe conditions and work practices that have been identified and action taken to correct the identified unsafe conditions and work practices. These records shall be maintained for at least one (1) year; and (2) Documentation of safety and health training for each employee, including employee name or other identifier, training dates, type(s) of training, and training providers.

Employees incorporate the foregoing sections herein. Throughout the Statutory Period, Coast Hills failed to establish, implement, and maintain an effective injury and illness prevention program. Coast Hills failed to perform periodic inspections to identify unsafe conditions and work practices, particularly those concerning ergonomics, repetitive motion injuries, work-related driving, workplace violence, chemical exposure protection, and other workplace risks facing the Employees. Coast Hills also failed to provide occupational health and safety training designed to instruct Employees in general safe and healthy work practices and to provide specific instruction with respect to hazards specific to each Employee's job assignment; Coast Hills failed to provide such training to Employees or any indication that any Employees attended any safety training.

There was also ineffective communication between Employees and Coast Hills on occupational health and safety matters regarding the foregoing issues. Employees complained to management about problems existing in Coast Hills' facility but Coast Hills informed employees that management could no longer speak to employees about safety-related issues without involving Coast Hills' lawyers.

Coast Hills failed to provide adequate meetings, training programs, posting, written communications, a system of anonymous notification by employees about hazards, labor/management safety and health committees, or any other means that ensures communication with employees regarding health and safety conditions and workplace injury and illness reporting. Coast Hills is subject to additional civil penalties as provided by law.

F. Violation of Labor Code § 6407

"Every employer and every employee shall comply with occupational safety and health standards, with Section 25910 of the Health and Safety Code, and with all rules, regulations, and orders pursuant to this division which are applicable to his own actions and conduct." Lab. Code § 6407.

Throughout the Statutory Period, Coast Hills failed to provide effective training to Employees on hazardous chemicals in their work area at the time of their initial assignment, and whenever a new chemical hazard was introduced into their work area. Coast Hills failed to

provide any training regarding the measures Employees can take to protect themselves and appropriate work practices to avoid injury and illness. Coast Hills is subject to additional civil penalties as provided by law.

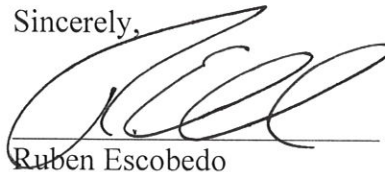
G. Permitting Unsafe Work and Failure to Provide Safe Workplace, Practices, and Processes

Employees incorporate the preceding sections herein. By committing the acts and omissions described in the preceding sections during the Statutory Period, Coast Hills also violated Labor Code, §§ 6400, 6401, 6402, 6403, 6404 by requiring and permitting unsafe work, and failing to provide safe workplaces, practices, and processes to its Employees. Coast Hills is subject to additional civil penalties as provided by law.

* * *

Please do not hesitate to contact the undersigned if you would like to discuss this matter further. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ruben Escobedo', written over a horizontal line.

Ruben Escobedo

EXHIBIT 2



WORKWORLD LAW

6907 El Camino Real, Suite A
Atascadero, CA 93422
support@workworldlaw.com
(805) 335-2476
(805) 892-6213 (Fax)

March 13, 2024

VIA ELECTRONIC FILING

CALIFORNIA LABOR AND
WORKFORCE DEVELOPMENT AGENCY
ATTN. PAGA ADMINISTRATOR
455 GOLDEN GATE AVENUE, 10TH FLOOR
SAN FRANCISCO, CA 94102

CALIFORNIA DIVISION OF
OCCUPATIONAL SAFETY AND HEALTH
455 GOLDEN GATE AVE., RM. 9516
SAN FRANCISCO, CA 94102

VIA U.S. CERTIFIED MAIL

CoastHills Credit Union
1075 Betteravia Road
Santa Maria, CA 93454

CoastHills Credit Union
PO Box 8000
Santa Maria, CA 93456-8000

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Ms. Miranda began working for Coast Hills in or around March 2022.

Ms. Melendez began working at Coast Hills in or around September 2022.

In the branch where Gonzalez, Miranda, and Melendez worked, Coast Hills employees were exposed to a hazardous chemical leak. At its worst, the branch smelled like a sewer. Customers and employees alike complained that the branch stunk. As a result, Coast Hills employees at the branch became ill. Employees at the branch began reporting their occupational illnesses to Coast Hills.

On September 1, 2023, Coast Hills notified employees that they were prohibited from disclosing to the public information about the hazardous chemicals detected within the Coast Hills branch. Unsafe levels of ethanol were detected in the air.

Afterwards, employees began expressing their concerns and questioning Coast Hills management more vocally regarding their symptoms and Coast Hills' efforts to fix the situation. Coast Hills management stopped sharing as much information about the chemical hazard with employees and informed employees that management could no longer speak on the subject without Coast Hills' lawyers.

Employees seek to bring this action to remedy these and other violations of the California Labor Code discussed below.

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Pursuant to Section 2699.3, the specific provisions of the California Labor Code alleged to have been violated, including the facts and theories to support the alleged violation, are as follows:

A. Violation of Labor Code § 2350

“Every factory, workshop, mercantile or other establishment in which one or more persons are employed, shall be kept clean and free from the effluvia arising from any drain or other nuisance....” Lab. Code § 2350.

Employees incorporate the foregoing sections herein. In violation of the foregoing, during the Statutory Period Coast Hills failed to keep its bank branch free from offensive smells (i.e., effluvia) arising from a drain or other nuisance at or near the branch where Employees including Gonzalez, Miranda, and Melendez worked. As a result, Coast Hills is liable for civil penalties.

B. Unlawful Confidentiality Order on Employees in Violation of Labor Code Section 1102.5(a)

Labor Code section 1102.5(a) provides in pertinent part: “An employer, or any person acting on behalf of the employer, shall not make, adopt, or enforce any rule, regulation, or policy preventing an employee from disclosing information to a government or law enforcement agency, to a person with authority over the employee, or to another employee who has authority to investigate, discover, or correct the violation or noncompliance, or from providing information to, or testifying before, any public body conducting an investigation, hearing, or inquiry, if the employee has reasonable cause to believe that the information discloses a violation of state or federal statute, or a violation of or noncompliance with a local, state, or federal rule or regulation, regardless of whether disclosing the information is part of the employee’s job duties.”

Employees incorporate the foregoing sections herein. In violation of the foregoing, during the Statutory Period Coast Hills made and adopted a rule prohibiting employees from reporting elevated and unsafe ethanol levels in violation of the Labor Code and Title 8 of the California Code of Regulations outside the branch, including to Cal/OSHA and others. Coast Hills is subject to additional civil penalties as provided by law.

C. Unlawful Confidentiality Order on Employees in Violation of Labor Code Section 232.5

Labor Code § 232.5 provides the following in pertinent part: “No employer may do any of the following: (a) Require, as a condition of employment, that an employee refrain from disclosing information about the employer’s working conditions.”

Employees incorporate the foregoing sections herein. In violation of the foregoing, during the Statutory Period Coast Hills required as a condition of employment to refrain from disclosing information about Employees’ working conditions.

D. Failure to Produce Documents Requested by Employees

"If an employee or applicant signs any instrument relating to the obtaining or holding of employment, he shall be given a copy of the instrument upon request." Lab. Code, § 432.

Employees incorporate the foregoing sections herein. During the Statutory Period Employees requested from Coast Hills all documents they signed. In violation of the foregoing statute, Coast Hills withheld the entirety of various documents. Instead, Coast Hills produced to the requesting Employees only the last or signature page of the instrument rather than the instrument itself. Coast Hills violated its statutory duty and is subject to additional civil penalties as a result.

In violation of Labor Code section 6407, Coast Hills also failed to produce a copy of its injury prevention program in a timely manner upon receipt of Employees' written authorizations and valid requests being made by Employees' designated representative. To date, Coast Hills has not produced any plan materials. Coast Hills is subject to additional civil penalties as provided by law.

E. Failure to Establish, Implement, and Maintain Effective Injury and Illness Prevention Program

"Every employer shall establish, implement, and maintain an effective injury prevention program. The program shall be written, except as provided in subdivision (e), and shall include, but not be limited to, the following elements: (1) Identification of the person or persons responsible for implementing the program. (2) The employer's system for identifying and evaluating workplace hazards, including scheduled periodic inspections to identify unsafe conditions and work practices. (3) The employer's methods and procedures for correcting unsafe or unhealthy conditions and work practices in a timely manner. (4) An occupational health and safety training program designed to instruct employees in general safe and healthy work practices and to provide specific instruction with respect to hazards specific to each employee's job assignment. (5) The employer's system for communicating with employees on occupational health and safety matters, including provisions designed to encourage employees to inform the employer of hazards at the worksite without fear of reprisal. (6) The employer's system for ensuring that employees comply with safe and healthy work practices, which may include disciplinary action." Lab. Code, 6401.7, subd. (a). "The employer shall correct unsafe and unhealthy conditions and work practices in a timely manner based on the severity of the hazard." Lab. Code, 6401.7, subd. (b).

"The employer shall train all employees when the training program is first established, all new employees, and all employees given a new job assignment, and shall train employees whenever new substances, processes, procedures, or equipment are introduced to the workplace and represent a new hazard, and whenever the employer receives notification of a new or previously unrecognized hazard." Lab. Code, 6401.7, subd. (c). "The employer shall keep appropriate records of steps taken to implement and maintain the program." Lab. Code, 6401.7, subd. (d). The standards board shall adopt a standard setting forth the employer's duties under this section...." Lab. Code, 6401.7, subd. (e)(1).

To substantially comply with Section 6401.7, pursuant to regulations the employer must provide adequate meetings, training programs, posting, written communications, a system of anonymous notification by employees about hazards, labor/management safety and health committees, or any other means that ensures communication with employees. Moreover, records of the steps taken to implement and maintain the Program shall include: (1) Records of scheduled and periodic inspections to identify unsafe conditions and work practices, including person(s) conducting the inspection, the unsafe conditions and work practices that have been identified and action taken to correct the identified unsafe conditions and work practices. These records shall be maintained for at least one (1) year; and (2) Documentation of safety and health training for each employee, including employee name or other identifier, training dates, type(s) of training, and training providers.

Employees incorporate the foregoing sections herein. Throughout the Statutory Period, Coast Hills failed to establish, implement, and maintain an effective injury and illness prevention program. Coast Hills failed to perform periodic inspections to identify unsafe conditions and work practices, particularly those concerning ergonomics, repetitive motion injuries, work-related driving, workplace violence, chemical exposure protection, and other workplace risks facing the Employees. Coast Hills also failed to provide occupational health and safety training designed to instruct Employees in general safe and healthy work practices and to provide specific instruction with respect to hazards specific to each Employee's job assignment; Coast Hills failed to provide such training to Employees or any indication that any Employees attended any safety training.

There was also ineffective communication between Employees and Coast Hills on occupational health and safety matters regarding the foregoing issues. Employees complained to management about problems existing in Coast Hills' facility but Coast Hills informed employees that management could no longer speak to employees about safety-related issues without involving Coast Hills' lawyers.

Coast Hills failed to provide adequate meetings, training programs, posting, written communications, a system of anonymous notification by employees about hazards, labor/management safety and health committees, or any other means that ensures communication with employees regarding health and safety conditions and workplace injury and illness reporting. Coast Hills is subject to additional civil penalties as provided by law.

F. Violation of Labor Code § 6407

"Every employer and every employee shall comply with occupational safety and health standards, with Section 25910 of the Health and Safety Code, and with all rules, regulations, and orders pursuant to this division which are applicable to his own actions and conduct." Lab. Code § 6407.

Throughout the Statutory Period, Coast Hills failed to provide effective training to Employees on hazardous chemicals in their work area at the time of their initial assignment, and whenever a new chemical hazard was introduced into their work area. Coast Hills failed to

provide any training regarding the measures Employees can take to protect themselves and appropriate work practices to avoid injury and illness. Coast Hills is subject to additional civil penalties as provided by law.

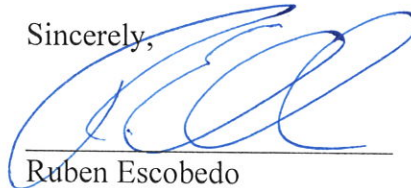
G. Permitting Unsafe Work and Failure to Provide Safe Workplace, Practices, and Processes

Employees incorporate the preceding sections herein. By committing the acts and omissions described in the preceding sections during the Statutory Period, Coast Hills also violated Labor Code, §§ 6400, 6401, 6402, 6403, 6404 by requiring and permitting unsafe work, and failing to provide safe workplaces, practices, and processes to its Employees. Coast Hills is subject to additional civil penalties as provided by law.

* * *

Please do not hesitate to contact the undersigned if you would like to discuss this matter further. Thank you for your attention to this matter.

Sincerely,



Ruben Escobedo

EXHIBIT 2

EXHIBIT 2

PAGA SETTLEMENT AGREEMENT AND RELEASE

***State of California ex rel., et al. v. Coasthills Credit Union,*
San Luis Obispo County Superior Court, Case No. 24CV-0284**

On January 31, 2025, Plaintiffs Dalia Gonzalez, Danielle Miranda, and Allinson Melendez (collectively, “Plaintiffs”) and Coasthills Credit Union (“Defendant”) (collectively, the “Parties”) participated in a private mediation with mediator Gail Glick regarding the lawsuit titled *State of California ex rel., et al. v. Coasthills Credit Union*, originally filed on May 6, 2024 in the San Luis Obispo County Superior Court, Case No. 24CV-0284.

The Parties now memorialize their agreement to settle the Action in the instant California Private Attorney General’s Act (“PAGA”) Settlement Agreement and Release (“Settlement Agreement”). Subject to approval by the Court, the Parties and their respective counsel, hereby agree to bind themselves to a settlement of the Action whose material terms, for settlement purposes only, follow:

1. DEFINITIONS

- 1.1. “Action” means the Plaintiffs’ PAGA lawsuit alleging Labor Code violations against Defendant captioned *State of California ex rel., et al. v. Coasthills Credit Union*, initiated on May 6, 2024 and pending in the San Luis Obispo County Superior Court, Case No. 24CV-0284.
- 1.2. “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of the Settlement.
- 1.4. “Aggrieved Employee” means any current and former non-exempt hourly employees who are currently or have been employed by Defendant in the State of California at Defendant’s Nipomo branch located at 542 W Tefft St, Nipomo, CA 93444 at any time during the PAGA Period.
- 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendant’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.
- 1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.

- 1.7. “Court” means the Superior Court of California, County of San Luis Obispo.
- 1.8. “Defendant” mean named Defendant CoastHills Credit Union.
- 1.9. “Defense Counsel” means Yvonne Arvanitis Fossati, Isabella. L. Shin, and Daniel Tran of Jackson Lewis P.C., the attorneys representing Defendant in the Action.
- 1.10. “Effective Date” means the date when all of the following events have occurred: (1) the Settlement Agreement has been executed by all Parties; (2) the Court has issued an order approving the Settlement; and (3) sixty-six (66) calendar days have passed since the Court has entered a final order and judgment approving the Settlement Agreement or, if any appeal, writ, or other appellate proceeding opposing the Court’s final order and judgment approving the Settlement Agreement has been filed, five (5) business days after any appeal, writ, or other appellate proceedings opposing the Settlement Agreement has been finally and conclusively dismissed with no right to pursue further remedies or relief..
- 1.11. “Gross Settlement Amount” means the maximum amount Defendant agrees to pay under the Settlement Agreement. The Gross Settlement Amount is the all-in and non-reversionary sum of Five Thousand and Forty Dollars and Zero Cents (\$5,040.00), which is inclusive of all amounts to be paid by Defendant under this Settlement Agreement, including all payments to (a) the LWDA, (b) the Aggrieved Employees, and (c) the settlement administrator for administration expenses. Under no circumstances will Defendant’s payment under this Settlement exceed the Gross Settlement Amount, except as provided in this agreement.
- 1.12. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.13. “Judgment” means the judgment entered by the Court based upon the Order Granting Approval of the PAGA Settlement.
- 1.14. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.15. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.16. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the LWDA PAGA Payment and the Administration Expenses Payment. The remainder (Net Settlement Amount) is to be paid to Aggrieved Employees as Individual PAGA Payments.
- 1.17. “PAGA Counsel” means Ruben Escobedo of Workworld Law Corp., the attorneys representing Plaintiff in the Action.

- 1.18. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee has met the definition of an Aggrieved Employee for at least one day during the PAGA Period.
- 1.19. “PAGA Period” means the period from February 27, 2023, through January 31, 2025.
- 1.20. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.21. “PAGA Notice” means Plaintiffs’ February 27, 2024 and March 13, 2024 letters to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.22. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, in the amount of \$5,040.00, and allocated 25% (\$1,260.00) to the Aggrieved Employees and 75% (\$3,780.00) to the LWDA in settlement of the PAGA claims.
- 1.23. “PAGA Representatives” or “Plaintiffs” means Dalia Gonzalez, Danielle Miranda, and Allinson Melendez, the named Plaintiffs in the Action.
- 1.24. “Approval Order” means the proposed Order Granting Approval of the PAGA Settlement.
- 1.25. “Released PAGA Claims” means the claims being released by Plaintiff and the Aggrieved Employees as described in Paragraph 5 below.
- 1.26. “Released Parties” means: Defendant and all of its present and former parent companies, subsidiaries, divisions, concepts, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity which could be liable for any of the Released PAGA Claims, including Defense Counsel.
- 1.27. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.28. “Settlement Funding Date” means 14 calendar days after the Effective Date.

2. RECITALS

- 2.1. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.2. On May 6, 2024, Plaintiffs commenced this Action by filing a Complaint alleging PAGA causes of action seeking civil penalties on an individual basis and on a representative basis on behalf of similarly situated aggrieved employees for alleged violations of Labor Code sections 232.5, 432, 1102.5, 2350, 6400, 6401, 6401.7, 6402, 6403, 6404, and 6407.

- 2.3. Defendant denies the allegations in the Complaint, deny any failure to comply with the laws identified in the Complaint, and deny any and all liability for the causes of action alleged.
- 2.4. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.5. On January 31, 2025, Plaintiffs and Defendant, by and through the PAGA Counsel and Defense Counsel, respectively, participated in an all-day mediation with experienced mediator Gail Glick. The mediation resulted in a settlement in principle, the terms of which are encompassed in this Agreement.
- 2.6. Prior to mediation, Plaintiffs obtained, through informal discovery, relevant safety records, in including records related to Defendant's Injury and Illness Prevention Program, and other information relating to the size and scope of the group of Aggrieved Employees, permitting Plaintiffs to fully understand the nature and scope of the allegations.
- 2.7. The Parties agree the Settlement is not an admission of any liability or wrongdoing. Defendant denies the allegations in the Complaint, denies any failure to comply with the laws identified in the Complaint, and denies any and all liability for the causes of action alleged. Plaintiffs and Defendant mutually desire to compromise, settle, and release the claims asserted in the Action and any and all other claims whether known or unknown, arising out of or based on any fact, matter, or event which occurred during the Release Period.
- 2.8. The Parties believe this Agreement is a fair, adequate and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations facilitated by an experienced wage and hour class action mediator, and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness, adequacy and reasonableness of this Settlement.

3. MONETARY TERMS

- 3.1. Gross Settlement Amount. Defendant promises to pay an all-in and non-reversionary sum of Five Thousand and Forty Dollars and Zero Cents (\$5,040.00) and no more as the Gross Settlement Amount to settle the PAGA claims alleged in the Complaint. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

3.2.1. To Plaintiffs: Plaintiffs will not seek an enhancement award from this Settlement, but Plaintiffs will execute a general release that includes a release of any and all claims pursuant to California Civil Code section 1542 to settle their individual claims arising from the same underlying factual allegations.

3.2.2. To PAGA Counsel: PAGA Counsel will not seek any fees or costs from the Settlement.

3.2.3. To the Administrator: An Administration Expenses Payment not to exceed One Thousand Dollars and Zero Cent (\$1,000.00) except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$1,000.00, the Administrator will retain the remainder as PAGA Penalties.

3.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of approximately Five Thousand and Forty Dollars and Zero Cents (\$5,040.00) to be paid from the Gross Settlement Amount, with 75% (\$3,780.00) allocated to the LWDA PAGA Payment and 25% (\$1,260.00) allocated to the Individual PAGA Payments. All PAGA Penalty payments to the Aggrieved Employees are deemed penalties and interest for which a form 1099 shall issue.

3.2.4.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (approximately \$1,260.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2. If the Court approves a LWDA PAGA Payment of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS

4.1. Aggrieved Employee Data: Not later than 14 days after the Court issues the Approval Order, Defendant will deliver the Aggrieved Employee Data to the Administrator, in the form of a secure Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator who need access to the Aggrieved Employee Data to effect and perform

under this Agreement, except that relevant information can be provided PAGA Counsel if necessary for PAGA Counsel to respond to inquiries or requests from Aggrieved Employees with the approval of Defendant. Defendant has a continuing duty to immediately notify PAGA Counsel if they discover that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. The Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data. Defendant's data will be presumed to be correct, unless a particular Aggrieved Employee proves otherwise to the settlement administrator by credible evidence. All pay period disputes will be resolved and decided by the Administrator and the Administrator's decision on all pay period disputes will be final and non-appealable.

4.2. Funding of Gross Settlement Amount: Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

4.3. Payments from the Gross Settlement Amount: Within ten (10) calendar days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks or wire payment for all Individual PAGA Payments, the LWDA PAGA Payment, and the Administration Expenses Payment.

4.3.1. The Administrator will issue checks along with a letter attached to the Agreement as Exhibit A for the Individual PAGA Payments and send them to the Aggrieved Employees last known mailing address via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date when the check will be voided. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database ("NCOA").

4.3.2. Any checks issued to Aggrieved Employees shall remain valid and negotiable for one hundred and eighty (180) calendar days from the date of their issuance and then shall become void on the 181st day after issuance. Within fourteen (14) calendar days after the void date, any unclaimed funds in the as a result of the failure to cash Individual Settlement Payment checks prior to the void date shall be paid by the Administrator to the Unclaimed Property Fund in the name of the respective Aggrieved Employee.

4.3.3. Any checks returned as non-deliverable on or before the void date will be sent promptly via regular First Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Administrator will promptly attempt to determine the correct address using a skip trace, or other search using the name, address or Social Security number of the Aggrieved Employee involved and will then perform a single re-mailing within seven (7) days of receipt of the returned check. The Administrator need not take further steps to deliver checks to

Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date. Any check re-mailings will not extend the 180-day period to cash a check.

4.3.4. All Individual PAGA Payments to Aggrieved Employees shall be deemed to be paid to the Aggrieved Employee solely in the year in which such payments actually are received by the Aggrieved Employee. It is expressly understood and agreed that the receipt of such Individual PAGA Payments will not entitle any Aggrieved Employee to additional compensation or benefits under any company bonus, contest, or other compensation or benefit plan or agreement in place during the period covered by the Settlement, nor will it entitle any individual to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits. It is the intent of this Settlement that the Individual PAGA Payments provided for in this Settlement are the sole payments to be made by Defendant to the Aggrieved Employees, and that the Aggrieved Employees are not entitled to any new or additional compensation or benefits as a result of having received Individual PAGA Payments (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the period covered by this Settlement).

4.3.5. The Parties make no representation as to the tax treatment or legal effect of the payments called for hereunder, and the Parties are not relying on any statement, representation, or calculation by any of the Parties or by the Settlement Administrator in this regard.

5. **RELEASE OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiffs, the Aggrieved Employees, and the LWDA will release claims against all Released Parties as follows:

5.1. **Plaintiff's Release:** Plaintiffs and respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Complaint and the PAGA Notice, including, but not limited to, civil penalties pursuant to PAGA for or related to alleged violations of Labor Code sections 232.5, 432, 1102.5, 2350, 6400, 6401, 6401.7, 6402, 6403, 6404, and 6407, injunctive relief as it relates to the claims listed above, declaratory relief as it relates to the claims listed above, liquidated damages, penalties recoverable pursuant to the claims listed above, interest, fees, costs, as well as all other claims and allegations alleged in the Action, throughout the PAGA Period ("Released PAGA Claims"). This release includes a release of all PAGA civil penalties, attorneys' fees, costs, and other relief available under PAGA based on the claims expressly asserted in the Operative Complaint and the preceding

PAGA Notices or that could have been asserted based on the facts alleged in the Complaint and the preceding PAGA Notices. This release excludes the release of claims not permitted by law. Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now knows or believes to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

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

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

5.2. Release by Aggrieved Employees and the LWDA: The Aggrieved Employees and the LWDA are deemed to release the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Complaint and the PAGA Notices, including, but not limited to, civil penalties pursuant to PAGA for or related to alleged violations of Labor Code sections 232.5, 432, 1102.5, 2350, 6400, 6401, 6401.7, 6402, 6403, 6404, and 6407, injunctive relief as it relates to the claims listed above, declaratory relief as it relates to the claims listed above, liquidated damages, penalties recoverable pursuant to the claims listed above, interest, fees, costs, as well as all other claims and allegations alleged in the Action, throughout the PAGA Period ("Released PAGA Claims"). This release includes a release of all PAGA civil penalties, attorneys' fees, costs, and other relief available under PAGA based on the claims expressly asserted in the Operative Complaint and the preceding PAGA Notices or that could have been asserted based on the facts alleged in the Complaint and the preceding PAGA Notices.

6. **MOTION FOR APPROVAL OF SETTLEMENT**. Following full execution of this Settlement Agreement, PAGA Counsel will prepare and file a motion for approval and seek an order (a) approving and incorporating by reference the terms and conditions of the Settlement Agreement, (b) retaining jurisdiction over the parties under Code of Civil Procedure Section 664.4 to enforce the Settlement Agreement, and (c) dismissing the entire Action with prejudice.

6.1. The Parties agree that Plaintiffs shall comply with all statutory requirements necessarily to execute and complete the administration of the Settlement.

- 6.2. Before seeking Court approval, this Agreement will be sent by PAGA Counsel to the LWDA for review so that it has the opportunity to object to all or part of the Settlement.
- 6.3. Responsibilities of PAGA Counsel: PAGA Counsel will prepare and submit all documents necessary for obtaining approval of this Settlement under Labor Code section 2699(f)(2). Pursuant to California Labor Code § 2699(l)(2), PAGA Counsel will provide a copy of this Settlement Agreement to the LWDA concurrently with the filing of the stipulation or motion for Settlement Approval. PAGA Counsel will also file a declaration in support of their stipulation or motion for Settlement Approval confirming that they have submitted the Settlement to the LWDA in compliance with Labor Code § 2699(l)(2). Pursuant to California Labor Code § 2699(l)(3), a copy of the Court's judgment and any other order issued in connection with this Settlement Agreement shall be submitted by PAGA Counsel to the LWDA within ten (10) calendar days after entry of the judgment or order. PAGA Counsel shall be responsible for expeditiously finalizing and filing the motion after the full execution of this Agreement; obtaining a prompt hearing date for the motion; and for appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator.
- 6.4. Draft Motion for Approval of PAGA Settlement: PAGA Counsel agrees to provide a draft of the Motion for Approval of PAGA Settlement and the draft proposed Order Granting Approval of PAGA Settlement to Defendant's Counsel seven (7) calendar days prior to filing the Motion. Defendant will not oppose Plaintiffs' stipulation or motion for Settlement Approval unless the motion is inconsistent with the terms set forth in this Settlement Agreement. If the Court does not grant approval or conditions approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.
- 6.5. No Opt-Out by Aggrieved Employees: The Parties agree there is no statutory right for any Aggrieved Employee to object, opt out or otherwise exclude himself or herself from the Settlement. Nor is there any right for any Aggrieved Employee to dispute the value of the Individual PAGA Payment provided to them under this Settlement. Except as otherwise stated, Plaintiffs will vigorously defend against any attempt by any Aggrieved Employee or by any entity or agency to intervene in this matter or object to/opt-out of this settlement. The Parties further agree there is no right or opportunity for any Aggrieved Employee to appeal the approval of the Settlement by the Court. The Parties will jointly defend against any appeal taken by any Aggrieved Employee of the Court's approval of the Settlement.

7. SETTLEMENT ADMINISTRATION.

- 7.1. Selection of Administrator: The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM

Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expenses Payment. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

- 7.2. Qualified Settlement Fund: The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 7.3. Administrator Duties: The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise. The Administrator will establish a toll-free number for Aggrieved Employees with any questions regarding the Agreement together with such other tasks as the Parties may mutually agree or the Court may order the Administrator to perform. Upon completion of administration of the Settlement, the Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties. Plaintiffs’ Counsel shall file this declaration with the Court within seven (7) calendar days of receipt.
8. **AGGRIEVED EMPLOYEE SIZE ESTIMATES**. Based on a review of the records to date, Defendant estimates there are approximately 19 Aggrieved Employees who worked a total of 504 PAGA Pay Periods. This estimate served as the basis for Plaintiffs accepting the settlement. Should the PAGA Pay Periods increase by more than 10% (50 pay periods) of Defendant’s estimate, Defendant shall have the option of either (a) increasing the Gross Settlement Amount on a *pro-rata* basis equal to the percentage increase in the number of pay periods worked by the Aggrieved Employees above ten percent (10%), meaning Defendant would increase the Gross Settlement Amount by the percentage amount above ten percent (10%) (e.g., if the number PAGA Pay Periods increase by 11%, the Maximum Settlement Amount will increase by 1%); or (b) cutting the release period for the Settlement to the date on which the total PAGA Pay Periods worked for the Aggrieved Employees during the release period reaches 554.
9. **CONTINUING JURISDICTION OF THE COURT**. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

10. ADDITIONAL PROVISIONS.

- 10.1. No Admission of Liability or Representative Manageability for Other Purposes: This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or

construed as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Approval or enter Judgment, Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

10.2. Circular 230 Disclaimer: EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT. Defendant and Plaintiffs make no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiffs and Aggrieved Employees are not relying on any statement, representation, or calculation by Defendant or by the Settlement Administrator in this regard. Plaintiffs and Aggrieved Employees understand and agree that they will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein.

10.3. Duty to Cooperate: The Parties agree to cooperate fully with each other to accomplish the terms of this agreement and use any other efforts that may become

necessary by order of the Court, or otherwise, to effectuate the Settlement. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Agreement. If 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 shall seek the assistance of the mediator first before seeking the assistance of the Court to resolve such disagreement.

- 10.4. Integrated Agreement: Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 10.5. Continuing Jurisdiction: The Parties intend this Settlement Agreement to be admissible and binding consistent with California Code of Civil Procedure Section 664.6, but any dispute between the Parties as to the remaining terms of the Settlement shall be first presented to the mediator for resolution.
- 10.6. Media: Following settlement approval of the Settlement, Plaintiffs and Plaintiffs' Counsel will not have any communications with the media other than to direct the media to the public records of the Action on file with the Court. Plaintiffs' Counsel will ensure Plaintiffs are aware of, and will encourage them to adhere to, the restriction against any media comment on the Settlement and its terms. Plaintiffs' Counsel further agrees not to use Defendant's name in any statements for marketing purposes.
- 10.7. Attorney Authorization: PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 10.8. No Prior Assignments: The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 10.9. No Tax Advice: Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.10. Modification of Agreement: This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

- 10.11. Agreement Binding on Successors: This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.12. Applicable Law: All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.13. Cooperation in Drafting: The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.14. Confidentiality: To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.15. Use and Return of Aggrieved Employee Data: Information provided to PAGA Counsel pursuant to Cal. Evid. Code section 1152, and all copies and summaries of the Aggrieved Employee Data provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Aggrieved Employee Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.
- 10.16. Headings: The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 10.17. Calendar Days: Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal or California state legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.18. Notice: All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, to the other Party's respective counsel of record.
- 10.19. Execution in Counterparts: This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will

exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.20. Stay of Litigation: The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement.

PLAINTIFFS AGREE THAT THEY FULLY UNDERSTANDS THE TERMS OF THIS AGREEMENT.

Dated: 4/8, 2025

Danielle Miranda



Dated: April, 8, 2025

Dalia Gonzalez



Dated: 4, 8, 2025

Allinson Melendez



Dated: April 7,, 2025

Coasthills Credit Union



By: Cheryl Garnsey

Title: SVP Chief Human Resources Officer

Notice of PAGA Settlement and Release of Claims

State of California ex rel., et al. v. Coasthills Credit Union,
San Luis Obispo County Superior Court, Case No. 24CV-0284

<<EmployeeName>>

Dear [NAME]:

Enclosed, please find a check made payable to you. This is your payment from the settlement of lawsuit titled *State of California ex rel., et al. v. Coasthills Credit Union*, San Luis Obispo County Superior Court, Case No. 24CV-0284.

The lawsuit claims that Defendant CoastHills Credit Union. (“Defendant”) owes penalties under PAGA for alleged violations of the California Labor Code sections 232.5, 432, 1102.5, 2350, 6400, 6401, 6401.7, 6402, 6403, 6404, and 6407. Defendant disputes all of the allegations in the lawsuits and denies that it engaged in any of the alleged misconduct.

The Court has not decided the merits of the claims or defenses, but it has approved the settlement of the representative PAGA claims that the Parties reached. This Settlement covers any current and former non-exempt hourly employees who are currently or have been employed by Defendant in the State of California at Defendant’s Nipomo branch located at 542 W Tefft St, Nipomo, CA 93444 at any time from February 27, 2023, through January 31, 2025. (“Aggrieved Employees”). A portion of the civil penalty settlement amount goes to the State of California’s Labor and Workforce Development Agency (“LWDA”). Another portion of the civil penalty settlement amount goes to the Aggrieved Employees. In agreeing to enter into this settlement, Defendant does not admit that they are liable in any way to current or former employees for any violations of the California Labor Code, or any penalties, and has denied and disputed all of the contentions in the lawsuit.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. This check will remain valid for 180 days from the date of issuance. Please note that no deductions/withholdings have been made from your settlement payment, and you will be responsible for any tax consequences arising from your receipt of the same (for which an IRS Form 1099 will issue). Plaintiffs’ Counsel and Defendant’s Counsel are not responsible for providing tax advice; please seek out advice from an accountant or tax attorney as to your tax obligations owed for this payment. If you do not cash your check within 180 days of issuance, the funds will be deposited by the Settlement Administrator to the State of California’s Unclaimed Property Fund. If you are still employed by Defendant, your decision to cash the check will not affect your employment in any way.

While you were not a party to the lawsuit, you and the State of California have been bound by the judgment that has been approved by the Court, including the release contained in the settlement. The LWDA is deemed to release the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notices, including, but not limited to, civil penalties pursuant to PAGA for or related to alleged violations of Labor Code sections 232.5, 432, 1102.5, 2350, 6400, 6401, 6401.7, 6402, 6403, 6404, and 6407, injunctive relief as it relates to the claims listed above, declaratory relief as it relates to the claims listed above, liquidated damages, penalties recoverable pursuant to the claims listed above, interest, fees, costs, as well as all other claims and allegations alleged in the Action, throughout the PAGA Period (“Released PAGA Claims”).

If you have any questions, you can contact Ruben Escobedo, Workworld Law Corp. at [INSERT] or Yvonne Arvanitis Fossati Fossati, Jackson Lewis at 213-630-8215. You may also contact the Settlement Administrator, [insert administrator] at [phone number], [mailing address/PO Box] with questions.

To view the entirety of the Settlement Agreement, including its defined terms, you may visit [INSERT], and review the entire public docket of this Lawsuit.

EXHIBIT 3

EXHIBIT 3

Ogletree Deakins' New OSHA Tracker: Data Related to California, Texas, and Florida

January 3, 2023

By [John D. Surma](#) and [Lauren E. Lenhart](#)

Ogletree Deakins' recently released OSHA Tracker tool allows employers to search and filter Occupational Safety and Health Administration (OSHA) data to identify emerging issues and OSHA enforcement trends. This interactive tool compiles comprehensive OSHA inspection, citation, and penalty data and allows employers to create custom searches and filter by OSHA region, state, industry, or date.



Ogletree Deakins' recently released [OSHA Tracker](#) tool allows employers to search and filter Occupational Safety and Health Administration (OSHA) data to identify emerging issues and OSHA enforcement trends. This interactive tool compiles comprehensive OSHA inspection, citation, and penalty data and allows employers to create custom searches and filter by OSHA region, state, industry, or date.

The OSHA Tracker’s centralized surprising and valuable OSHA statistics for the sunshine states of Florida, Texas, and California. The findings listed below include which industries received the highest penalties, average penalty amounts, number of inspections, and top industries and OSHA standards being cited.

The top industries facing penalties in Florida, Texas, and California are remarkably different. When imagining scandalous workplace safety issues, mushroom production may not be the first industry that comes to mind. However, mushroom production is the top industry by average OSHA penalty in Texas. Florida’s top industry with OSHA penalties is “toilet preparation” production. Last but not least, California’s top industry with OSHA penalties is office supplies manufacturing—not including paper. (Surely, the paper industry is quite upset about being left off this list.)

The OSHA Tracker also displays the average penalty amount by state. California’s average penalty amount is \$2,033 per penalty, which is lower than the average penalty for Texas (\$3,240) and Florida (\$3,566). However, all three states have a higher average penalty amount than the national average of \$1,988.

California *does* conduct the most inspections per year, however, and issues the most citations to employers. The California Division of Occupational Safety and Health (Cal/OSHA) has conducted nearly 45,000 inspections since January 2017, which exceeds three times more inspections than the Florida Occupational Safety and Health Administration (13,624), and nearly double the number conducted by the Texas Department of Insurance’s Division of Workers’ Compensation (22,846).

Lastly, the OSHA Tracker also displays top industries and OSHA standards cited in each state. Texas and Florida, both of which follow federal OSHA, list “roofing contractors” as their most-cited industry. Similarly, fall protection for residential construction is the most cited OSHA standard. California, which has its own state plan, lists “commercial and institutional building contractors” as its most-cited industry, and injury and illness prevention plan violations as its most-cited OSHA standard. These statistics are the least shocking, and reinforce how OSHA aggressively inspects and cites employers in the construction industry.

As demonstrated above, the OSHA Tracker can assist employers with forecasting and spotting enforcement trends and changes. It also identifies new and emerging issues, and correlates information to help employers make unique connections.

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TOPICS

[California](#) , [Florida](#) , [State Developments](#) , [Texas](#) , [Workplace Safety and Health](#)

UPCOMING SEMINARS



October 9

Costa Mesa, CA

California Workplace Safety Conference



December 2-4

Palm Harbor, FL

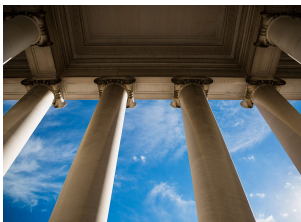
Workplace Safety Symposium

RELATED PODCASTS



April 9, 2025

Safety Basics XI: OSHA Citations—From Costs to Compliance



April 3, 2025

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