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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF CONTRA COSTA

KEYONA TURNER, on behalf of herself and
others similarly situated,

Plaintiff,

v.

LEADERSTAT LLC; and DOES 1-20,
inclusive.

Defendants.

CASE NO. C24-01225

[Assigned for All Purposes to Hon. Charles S.
Treat]

**STIPULATION FOR LEAVE TO FILE
FIRST AMENDED COMPLAINT AND
FOR SETTLEMENT AND RELEASE OF
CLASS ACTION AND PAGA CLAIMS**

1 **STIPULATION FOR SETTLEMENT AND RELEASE**
2 **OF CLASS ACTION AND PAGA CLAIMS**

3 This Stipulation for Settlement and Release of Class Action and PAGA Claims (the
4 **“Settlement Agreement”** or **“Agreement”**) is made and entered into by and between and Plaintiffs
5 KEYONA TURNER (**“Turner”**) and AMY WILLIAMS (**“Williams”**) (collectively, **“Plaintiffs”**
6 or **“Class Representatives”**), on behalf of themselves and as proposed representatives on behalf of
7 the Class to be certified pursuant to this Settlement Agreement (as described in Paragraph 6, below)
8 and each of the members of the Class (each, individually, a **“Class Member”** and, collectively,
9 **“Class Members”**), on the one hand, and Defendant LEADERSTAT LLC, also known as
10 LEADERSTAT, LTD (**“LeaderStat”** or **“Defendant”**), on the other hand, in *Keyona Turner, et al.*
11 *v. LeaderStat, LLC*, Superior Court of the State of California for the County of Contra Costa, Case
12 No. C24-01225 (the **“Litigation”** or **“Action”**).

13 This Settlement Agreement is subject to the terms and conditions hereof and the approval of
14 the Court. For purposes of this Settlement Agreement, Plaintiffs and Defendant are each referred
15 to individually as a **“Party”** and collectively as the **“Parties,”** as appropriate.

16 **SETTLEMENT AMOUNT**

17 As described in detail hereafter, and pursuant to all of the terms and conditions set forth in
18 this Settlement Agreement, Defendant shall pay the total amount of Two Hundred Fifty Thousand
19 Dollars (\$250,000.00) (the **“Gross Settlement Fund,”** **“GSF,”** or **“Settlement Fund”**), to resolve
20 all of the claims being released herein, as set forth in detail hereafter. This Settlement Agreement
21 is not subject to any reversion of funds to Defendant, such that the entire settlement amount will be
22 payable if the settlement becomes final as defined herein, and any amounts not cashed by any Class
23 Members will be transmitted by the Settlement Administrator pursuant to governing law to the
24 California Unclaimed Property fund to be held there for the benefit of such Class Members under
25 California’s escheatment laws.

26 **BACKGROUND AND RECITALS**

27 1. On April 27, 2023, Williams filed with the LWDA (as defined herein) and thereafter
28 served on Defendant a notice under California Labor Code § 2699.3 stating she intended to serve as

1 a proxy of the LWDA to recover civil penalties on behalf of “Aggrieved Employees” (as defined in
2 Paragraph **18**, below) for various alleged violations of the California Labor Code and applicable
3 California Industrial Welfare Commission (“**IWC**”) Wage Orders (the “**Williams PAGA Notice**”).

4 2. On April 27, 2023, Williams filed a putative class action against LeaderStat in
5 Alameda County Superior Court, assigned Case No. 23CV031990 therein (the “**Williams Action**”),
6 seeking damages and statutory penalties for various purported violations of California’s wage and
7 hour laws on behalf of herself and all non-exempt employees of Defendant who worked in California
8 at any time from April 27, 2019 through the date of class certification. On July 14, 2023, Williams
9 filed a First Amended Class Action Complaint in the Williams Action.

10 3. On February 12, 2024, Turner filed with the LWDA (as defined herein) and thereafter
11 served on Defendant a notice under California Labor Code § 2699.3 stating she intended to serve as
12 a proxy of the LWDA to recover civil penalties on behalf of “Aggrieved Employees” (as defined in
13 Paragraph **18**, below) for various alleged violations of the California Labor Code and applicable
14 IWC Wage Orders (the “**Turner PAGA Notice**”). The Williams PAGA Notice and the Turner
15 PAGA Notice are referred to collectively herein as the “**PAGA Notices**.”

16 4. On May 8, 2024, Turner filed this separate representative action against Defendant
17 in Contra Costa County Superior Court, assigned Case No. C24-01225. The Williams Action and
18 this Action are referred to collectively herein as the “**Actions**.”

19 5. On June 20, 2024, the Parties participated in a private mediation with Mediator Kevin
20 T. Barnes, Esq. As a result of the mediation, the Parties have prepared and are entering into this
21 Settlement Agreement to resolve all of the claims being released herein. The Parties engaged in an
22 extensive informal exchange of documents and information, including, *inter alia*, data regarding
23 putative class members prior to participating in private mediation.

24 6. For purposes of this Settlement Agreement only, the “**Class**” or “**Settlement Class**”
25 consists of:

26 All of Defendant’s current and former non-exempt employees who were assigned to
27 work at any facility inside California at any time during the time period from April
28 27, 2019, through the date the Court grants preliminary approval of the Settlement

1 Agreement or August 19, 2024, whichever is earlier (the “**Settlement Period**”), but
2 excluding any individual who has filed their own separate action as a named Plaintiff
3 (other than Amy Williams or Keyona Turner), individually and/or as a putative class
4 or representative action, alleging the same or similar claims being released by the
5 settlement and/or who has previously released claims released through this
6 Settlement Agreement.

7 7. No Admission of Liability by the Defendant. Defendant denies any liability or
8 wrongdoing of any kind associated with the Actions and the claims being released herein.
9 Defendant contends, among other things, that it has complied at all times with all applicable
10 California laws and asserts that the Class Members were properly compensated and otherwise
11 treated at all times in compliance with California law, including without limitation as to wages,
12 breaks, wage statements, expense reimbursement, and timing of payment of wages at termination
13 of employment. Neither this Settlement Agreement nor any exhibit hereto, nor any other document
14 pertaining to the settlement contemplated herein, may be offered in any other case or proceeding as
15 evidence of any admission by Defendant of any liability on any claims for damages or other relief.
16 Any stipulation or admission by Defendant contained herein is made for settlement purposes only.

17 8. Nevertheless, in the interest of avoiding the costs and disruption of ongoing litigation
18 and resolving the claims asserted in the Litigation, the Parties believe that the settlement negotiated
19 between them and set forth in this Settlement Agreement is fair, reasonable, and adequate.

20 9. It is the desire of Plaintiffs, on behalf of themselves and on behalf of the Class
21 Members, as well as on behalf of the California Labor and Workforce Development Agency and its
22 constituent departments, divisions and agencies (collectively, the “**LWDA**”) with respect to those
23 claims asserted under the California Labor Code Private Attorneys General Act (“**PAGA**”), Cal.
24 Lab. Code § 2698, *et seq.*, to fully, finally, and forever settle, compromise, and discharge the claims
25 set forth in Paragraphs 41 and 42 of this Settlement Agreement, as applicable).

26 **TERMS OF THE SETTLEMENT**

27 10. Conditional Leave to File First Amended Class and Representative Action
28 Complaint. Solely for purposes of this Settlement only, and the Court granting preliminary and final

1 approval thereof, the Parties hereby stipulate and agree, subject to the Court's entry of such approval
2 orders, that leave to file the proposed First Amended Class and Representative Action Complaint
3 ("FAC" or "**Operative Complaint**"), attached hereto as **Exhibit A**, be granted, which pleads the
4 claims alleged in the Williams Action, the Turner Action, and the PAGA Notices, all of which were
5 investigated, litigated, mediated, and resolved in the Actions. Plaintiffs' motion for preliminary
6 approval of the Settlement Agreement will request conditional leave to file the FAC solely for
7 purposes of this Settlement, and all allegations therein shall be deemed to relate back to the date of
8 the filing of the Williams Action, with Defendant being relieved from having to file any response
9 to the FAC and being deemed to have generally and specifically denied all allegations contained in
10 the FAC. Should, for whatever reason, the Court require Defendant to file an answer to the FAC,
11 then, Defendant will cooperate in doing so. Should, for whatever reason, the settlement set forth in
12 this Settlement Agreement not become final, the FAC shall be deemed stricken, null, and void *ab*
13 *initio*, with Turner's initiating complaint remaining the operative pleading herein. Should, for
14 whatever reason, the Court not allow the Parties to obtain approval of the Settlement in this Action,
15 the Parties agree to allow Plaintiffs to seek approval of the Settlement in the Williams Action, and
16 will take all steps necessary toward that end, including, amending the Class Notice accordingly and
17 allowing Plaintiffs to file an amended complaint in the Williams Action in order to allege claims in
18 this Action.

19 11. Stay the Williams Action: The Parties agree that within seven (7) calendar days
20 after the date on which the FAC is filed in the Action, the parties will file a joint stipulation to stay
21 the Williams Action pending final approval of the Settlement Agreement in the Action. Plaintiff
22 agrees to request dismissal of the Williams Action without prejudice within ten (10) days after the
23 granting of Final Approval of the Settlement Agreement in the Action. Such dismissal of the
24 Williams Action is an express condition precedent of Defendant's performance of its obligations
25 under this Settlement Agreement after final approval of the Settlement Agreement is granted in the
26 Action. Upon Williams signing this Settlement Agreement, she hereby withdraws without prejudice
27 all written discovery she has propounded to Defendant in the Williams Action.

28 12. Stipulation for Conditional Class Certification: The Parties stipulate and agree to the

1 conditional certification of the Settlement Class in the Action for purposes of this Settlement
2 Agreement only. Should, for whatever reason, the settlement set forth in this Settlement Agreement
3 not become final, the Parties' stipulation to such class certification as part of this settlement shall
4 become null and void *ab initio* and shall have no bearing on, and shall not be admissible in either or
5 both of the Actions or any other action or proceeding in connection with the issue of whether or not
6 certification would be appropriate in a non-settlement context. Defendant expressly reserves its
7 rights and declares that, to the extent Plaintiffs, or either of them, may otherwise be permitted to
8 seek class certification, it intends to oppose class certification vigorously should this settlement not
9 become final and putative class action claims are allowed to be pursued in either or both of the
10 Actions or any other action or proceeding.

11 13. Establishment of the Settlement Fund: This settlement is being made on a non-
12 reversionary basis, such that Defendant will pay the entirety of the agreed upon total settlement in
13 the amount of the Gross Settlement Fund, not including Defendant's obligation to separately pay
14 the employer's portion of payroll taxes on the Wages Portion (as defined below) of the Individual
15 Settlement Shares as provided in this Agreement.

16 14. The payment by Defendant of the Gross Settlement Fund, pursuant to this Settlement
17 Agreement, shall settle and forever resolve all of the Released Claims (as defined below), and will
18 include all payments to Participating Class Members (as defined below), Aggrieved Employees (as
19 defined below), and government taxing authorities (to the extent applicable), plus (a) the costs of
20 administration of the settlement, (b) all claimed and/or awarded attorneys' fees and costs, (c) the
21 claimed and/or awarded enhancement award to the Class Representatives, and (d) all payments to
22 be made to the LWDA pursuant to PAGA. The settlement payments are not being made for any
23 other purpose and will not be construed as "compensation" for purposes of determining eligibility
24 for any health and welfare benefits, unemployment compensation, or other compensation or benefits
25 provided by Defendant. In addition, no individual receiving a payment based on this Settlement
26 shall be entitled to any additional or increased health, welfare, retirement, or other benefits as a
27 result of their participation in the Settlement and/or receipt of payment under this Settlement.

28 15. Calculation of Net Settlement Fund: The total sum from which Participating Class

Members will be paid (the “**Net Settlement Fund**” or “**NSF**”) shall be the Gross Settlement Fund less the following: Settlement Administration Costs, PAGA Amount (as defined below), Attorneys’ Fees and Costs, and Enhancement Awards. The remaining sum after all these deductions shall represent the NSF, which will be used to calculate the settlement share that each Participating Class Member will receive if this settlement becomes Final as defined in Paragraph **16**, below.

16. Effective Date: This Settlement Agreement shall become effective when the settlement is considered to be Final. For purposes of this Settlement Agreement, “**Final Approval**” means the Court’s determination that the Settlement is fair, reasonable, and adequate, granting of final approval of the Settlement, and entry of judgment based thereon, and “**Final Approval Order**” means the Court’s order determining the Settlement to be fair, reasonable, and adequate and granting final approval of the Settlement and judgment based thereon. For purposes of this Settlement Agreement, “**Effective Date**” and “**Final**” mean: (i) in the event that the Settlement has received Final Approval by the Court, and regardless of whether any timely objections thereto have been filed or withdrawn, then 70 days after the Court’s Final Approval Order without an appeal being filed or, (ii) in the event that a timely appeal of the Court’s Final Approval Order has been filed, then the Settlement Agreement shall be final when the applicable appellate court has rendered a final decision or opinion affirming the Court’s Final Approval Order without material modification, the applicable date for seeking further appellate review has passed without further appellate review being sought, and the Final Approval Order in this Action and the dismissal of the Williams Action have been effectuated. In the event that the Court fails to approve the Settlement, or if the appropriate appellate court fails to approve the Settlement, and/or Plaintiffs fail to effectuate the dismissal of the Williams Action as specified: (1) this Settlement Agreement shall have no force and effect and the Parties shall be restored to their respective positions prior to entering into it, and no Party shall be bound by any of the terms of the Settlement Agreement; (2) Defendant shall have no obligation to make any payments to the LWDA, Class Members, Plaintiffs, or Plaintiffs’ Counsel; and (3) any preliminary approval order and/or Final Approval Order shall be vacated.

17. Mediation and Settlement Communications: The Settlement Agreement and all negotiations, statements, proceedings, and data relating thereto shall be deemed confidential

1 mediation settlement communications and not subject to disclosure for any purpose in any
2 proceeding, except only as required to obtain approval of and implement this Settlement and/or to
3 enforce this Settlement after final approval thereof is granted by the Court.

4 18. PAGA Settlement: The amount of Ten Thousand Dollars (\$10,000.00) out of the
5 GSF shall be allocated to penalties under PAGA (“**PAGA Amount**”), subject to the Court’s final
6 approval, of which 75% of that amount will be paid to the LWDA out of the GSF (“**LWDA**
7 **Payment**”), and the remaining 25% will be distributed to the “Aggrieved Employees” (“**Aggrieved**
8 **Employee Payment**”), subject to the further terms of this Agreement, below. For purposes of this
9 Settlement, “**Aggrieved Employee(s)**” shall have the same meaning and composition as the “Class.”
10 The time period applicable to Aggrieved Employees’ and the LWDA’s release under PAGA is from
11 February 12, 2023, through the date the Court grants preliminary approval of the settlement or
12 August 19, 2024, whichever is earlier (the “**PAGA Period**”).

13 19. Attorneys’ Fees and Costs: “**Class Counsel**” or “**Plaintiffs’ Counsel**” means
14 Ashkan Shakouri, Esq. and Sharon Lin, Esq. of Shakouri Law Firm. Subject to approval of the
15 Court, Plaintiffs’ Counsel shall be appointed as counsel for the Class, and may apply for an award
16 of attorneys’ fees and costs and expenses incurred in connection with the prosecution of this matter,
17 and all of the work remaining to be performed by Class Counsel in documenting the Settlement,
18 securing Court approval of the Settlement (including all related appellate work), carrying out their
19 duties to see that the Settlement is fairly administered and implemented, and obtaining entry of the
20 final judgment approving this Settlement and dismissal of the Action without prejudice, in an
21 amount of up to one-third of the GSF (i.e., \$83,333.33) for attorneys’ fees and in an amount of up
22 to \$20,000.00 for reimbursement of reasonable costs and expenses (together, “**Attorneys’ Fees and**
23 **Costs**”). Amounts awarded by the Court for Attorneys’ Fees and Costs shall be paid from the GSF.

24 20. Enhancement Awards: Subject to approval by the Court, Plaintiffs shall be appointed
25 as representatives of the Class, and they may each seek an award in the amount of up to \$10,000.00
26 each in consideration for serving as representatives of the Class (“**Enhancement Award**”). The
27 Enhancement Awards are in addition to the Individual Settlement Share and Aggrieved Employee
28 Payment to which Plaintiffs are otherwise entitled as Settlement Class Members and/or Aggrieved

1 Employees. Plaintiffs will not be entitled to any Enhancement Award if either or both of them opt-
2 out of this settlement.

3 21. In the event lesser sums are awarded for Attorneys' Fees and Costs than those
4 referenced in Paragraph **19**, above, or for the Enhancement Awards referenced in Paragraph **20**,
5 above, the approval by the Court of any such lesser sum(s) shall not be grounds for Plaintiffs and/or
6 Class Counsel to terminate the Settlement, but such an order shall be appealable by them. In the
7 event that such an appeal is filed, administration of the Settlement shall be stayed pending resolution
8 of the appeal. Thereafter, if after the exhaustion of such appellate review, any additional amounts
9 remain that are distributable to the Participating Class Members, the cost of administration of such
10 additional payments will be paid out of such additional amounts and will not be chargeable to or
11 payable by Defendant. Any amount not awarded for Attorneys' Fees and Costs or the Enhancement
12 Awards, but which is not challenged via appeal by Plaintiffs and/or Class Counsel, shall be added
13 to the NSF and distributed to the Participating Class Members in accordance with the terms of this
14 Settlement Agreement.

15 22. Costs of Administration: Subject to Court approval, the Parties designate Phoenix
16 Class Action Administration Solutions to administer the Settlement ("**Settlement Administrator**"),
17 to be engaged by Class Counsel with a preliminary budget to administer the settlement for fees and
18 costs presently estimated as not to exceed \$4,000.00 ("**Settlement Administration Costs**"). The
19 Settlement Administrator's duties of administration shall include, without limitation, receiving the
20 Class List to be produced by Defendant and updating it prior to the Notice being mailed, printing
21 and mailing the Notice, performing necessary additional skip traces on Notices and/or checks
22 returned as undeliverable, calculating Class Members' estimated and final shares of the NSF,
23 preparing and mailing of settlement checks, establishing a settlement website as described hereafter,
24 responding to Class Member inquiries as appropriate, preparing any appropriate tax forms in
25 connection with the settlement payments and remitting those forms and any required payments to
26 the appropriate governmental agencies, and generally performing all normal and customary duties
27 associated with the administration of such settlements. All fees and costs for the Settlement
28 Administrator's services will be paid out of the GSF.

1 23. No Claim Form Required: Only Participating Class Members shall share in the NSF
2 referred to in Paragraph **15**, as set forth in more detail in Paragraph **25** hereafter. Participating Class
3 Members shall not be required to complete a claim form. Class Members will be mailed a Notice
4 of Class Action Settlement (“**Notice**”), in substantially the form attached hereto as **Exhibit B**,
5 subject to approval by the Court, informing them of the terms of the Settlement and providing them
6 with an estimate of their share of the NSF. Class Members who do not timely and properly elect to
7 opt out of the Settlement (“**Participating Class Member(s)**”) will be mailed a check representing
8 their payment under the Settlement, in accordance with the terms of this Settlement Agreement.

9 24. Class Size and Workweeks: The size and membership of the class as of May 24,
10 2024, is estimated to be comprised of 35 employees who worked a total of 578 weekly pay
11 periods/workweeks. If, as of the date preliminary approval is granted, the number of workweeks
12 for Participating Class Members during the Settlement Period exceeds 578 by more than fifteen
13 percent (15%) (the “Buffer”), then, at Defendant’s option, either (a) the GSF will be increased by an
14 amount for each additional workweek over the Buffer equal to the amount of the GSF divided by
15 665, or (b) the Settlement Period will end on the date at which the workweeks reached 665.

16 25. Calculation of Participating Class Members’ Shares of the Net Settlement Fund:
17 Defendant shall calculate and provide to the Settlement Administrator, from Defendant’s records as
18 reflected on the Class List (as defined below), the number of workweeks during which each Class
19 Member was issued one or more wage statements reflecting the payment of Earnings during the
20 Settlement Period (“**Workweeks**”). Each Class Member’s share of the NSF (“**Individual**
21 **Settlement Share(s)**”) will be calculated initially for purposes of mailing the Notice by multiplying
22 the NSF by a fraction, the numerator of which is the Class Member’s total number of Workweeks,
23 and the denominator of which is the total number of Workweeks of all Class Members. Each
24 Participating Class Member’s final Individual Settlement Share for purposes of payment will be
25 calculated by multiplying the NSF by a fraction, the numerator of which is the Participating Class
26 Member’s total number of Workweeks, and the denominator of which is the total number of
27 Workweeks of all Participating Class Members. The dollar amount of any Individual Settlement
28 Shares of Class Members who timely and properly opt-out of participating in the Settlement will be

1 included in the NSF and will be redistributed to the Participating Class Members in accordance with
2 the terms of this Settlement Agreement.

3 26. Calculation of Aggrieved Employees' Shares of the Aggrieved Employee Payment:
4 Defendant shall calculate and provide to the Settlement Administrator, from Defendant's records as
5 reflected on the Class List (as defined below), the number of Pay Periods during which each
6 Aggrieved Employee was issued one or more wage statements reflecting the payment of Earnings
7 during the PAGA Period ("**PAGA Pay Periods**"). Aggrieved Employees will receive their pro rata
8 share of the Aggrieved Employee Payment of the PAGA Amount based on the number of PAGA
9 Pay Periods during the PAGA Period, regardless of whether they submit a timely and valid Request
10 for Exclusion from the Settlement Agreement.

11 27. Right to Opt Out, Object, and/or Dispute Wage Statements: The Notice will be
12 mailed to all Class Members and will advise each Class Member of their right to opt out of the
13 Settlement Agreement, object to all or any part of the Settlement Agreement, and/or dispute the
14 number of Workweeks credited to them. Any Class Member who wishes to opt out of the Settlement
15 Agreement as to the proposed class action settlement, object to the Settlement Agreement as to the
16 proposed class action settlement, and/or dispute the number of Workweeks credited to them for
17 purposes of the proposed class action settlement, must do so in writing to the Settlement
18 Administrator postmarked no later than forty-five (45) calendar days from the date of mailing of the
19 Notice to the Class Members ("**Response Deadline**"). However, there is no right to opt out of or
20 object to the PAGA settlement under this Settlement Agreement, and any Class Member who opts
21 out of the Settlement Agreement for purposes of the proposed class action settlement will still be
22 bound by the release of PAGA claims set forth in Paragraph 42, below.

23 28. Opting Out of the Proposed Class Action Settlement: A request to opt out of and be
24 excluded from the proposed class action settlement under this Settlement Agreement ("**Request for**
25 **Exclusion**") must include: (i) the full name, current mailing address, signature, and last four digits
26 of the Social Security number of the Class Member seeking exclusion; (ii) the case name and number
27 of the Litigation; and (iii) a statement that the Class Member seeks to be excluded from the
28 Settlement Agreement which is the same or substantially similar to the following language: "I elect

1 to opt-out of the *Turner, et al. v. LeaderStat LLC, et al.* class action settlement. I understand that
2 by doing so, I will not participate in the settlement, and will not receive any money from it.” In the
3 event that (1) one or both of the Plaintiffs, or (2) two or more of the 14 other Class Members
4 Plaintiffs’ counsel has given notice to Defendant that he represents (the “**Represented Class**
5 **Members**”), or (3) five percent (5%) or more of all of the Class Members submit a timely and valid
6 Request for Exclusion, Defendant will have the option to rescind and terminate the Settlement
7 resulting in both Parties returning to their pre-settlement positions in the Actions. The Settlement
8 Administrator shall notify lead counsel for all Parties via email immediately of any Request for
9 Exclusion that is submitted by Class Members, and Defendant shall have ten (10) calendar days
10 from the Response Deadline to exercise its option to rescind and terminate the Settlement as
11 referenced in this Paragraph. If Defendant exercises that option based on either (1) one or both of
12 the Plaintiffs, or (2) two or more of the Represented Class Members, submitting a timely and valid
13 Request for Exclusion, then Plaintiffs shall pay all Settlement Administration Costs incurred by the
14 Settlement Administrator up to the date of Defendant’s notice to rescind; otherwise Defendant shall
15 pay all Settlement Administration Costs incurred by the Settlement Administrator up to the date of
16 its notice to rescind.

17 29. Objecting to the Proposed Class Action Settlement: A written objection to the
18 proposed class action settlement under this Settlement Agreement (“**Objection**”), must include: (i)
19 the full name, current mailing address, signature, and last four digits of the Social Security number
20 of the objecting Class Member; (ii) the case name and number of the Litigation; (iii) a statement
21 indicating the legal and factual grounds for the objection; (iv) a statement indicating whether the
22 objecting Class Member is represented by counsel and identifying any such counsel; and (v) a
23 statement indicating whether the objecting Class Member intends to appear for and wishes to be
24 heard at the Final Approval Hearing. In the alternative, Participating Class Members may appear in
25 Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval
26 Hearing.

27 30. Disputing Workweeks: A Class Member’s dispute of the number of Workweeks
28 credited to them and used to calculate the Class Member’s Individual Settlement Share for purposes

1 of the proposed class action settlement under this Settlement Agreement (“**Workweeks Dispute**”)
2 must include: (i) the full name, current mailing address, telephone number, signature, and last four
3 digits of the Social Security number of the disputing Class Member; (ii) the case name and number
4 of the Action; (iii) a statement indicating that the Class Member seeks to dispute the number of
5 Workweeks credited to them, the time period(s) the Class Member was issued wage statements
6 reflecting the payment of Earnings by Defendant while working in California during the Settlement
7 Period, and the number of Workweeks that the Class Member contends should be credited to them;
8 and (iv) documentation and/or other facts supporting the Class Member’s position. In response to
9 any timely Workweeks Dispute, Defendant will first verify the information contained in the
10 disputing Class Member’s personnel file and Defendant’s payroll records. Unless the Class Member
11 can establish that the number of Workweeks credited to them is incorrect, by providing
12 documentation in support thereof or other details to substantiate their position, the total number of
13 Wage Statements established by Defendant’s records will control. Class Counsel and Defendant’s
14 Counsel will then make a good faith effort to resolve the dispute informally before the Final
15 Approval Hearing. If counsel for the Parties cannot agree, the dispute shall be resolved by the
16 Settlement Administrator before the Final Approval Hearing, who shall examine the records
17 provided by the Defendant and the Class Member and shall be the final arbiter of disputes relating
18 to a Class Member’s Wage Statements for purposes of administering notice of the Settlement,
19 subject to final review, determination, and approval by the Court.

20 31. Funding of Settlement: Within fifteen (15) calendar days following the occurrence
21 of the Effective Date of the Settlement as defined above, Defendant shall transfer the amount of the
22 GSF to a Qualified Settlement Fund account (“**Settlement Account**”) established by the Settlement
23 Administrator. The Settlement Administrator will also inform Defendant of the amount to be sent
24 to the Settlement Account to cover the employer’s portion of payroll taxes associated with the
25 portion of the Individual Settlement Shares allocated to wages. *See infra*, Paragraph **33**. No funds
26 will be payable by Defendant prior to the deadline specified in this Settlement Agreement.

27 32. Payment Procedures: Within ten (10) calendar days after Defendant deposits the
28 GSF into the Settlement Account created by the Settlement Administrator, the Settlement

1 Administrator shall distribute payment of the approved Individual Settlement Shares to Participating
2 Class Members (as provided in Paragraph **25**, above), Aggrieved Employee PAGA Payments to
3 Aggrieved Employees (as provided in Paragraph **26**, above), Attorneys' Fees and Costs to Class
4 Counsel, Enhancement Awards to the Class Representatives, LWDA Payment to the LWDA, and
5 Settlement Administration Costs to the Settlement Administrator, in accordance with this Settlement
6 Agreement and as ordered by the Court.

7 33. Tax Treatment of Settlement Payments: Each Participating Class Member's
8 Individual Settlement Share will be allocated as follows: (a) 20% for wages, inclusive of all types
9 of applicable employee-paid payroll withholdings and taxes (the "**Wages Portion**"), and (b) 30%
10 statutory and other non-wage damages, 10% statutory penalties, and 40% interest (collectively, and
11 exclusive of the Wages Portion, the "**Non-Wages Portion**"). Each Aggrieved Employee Payment
12 will be allocated 100% as civil penalties.

13 34. Each recipient of any monies paid in accordance with this Settlement Agreement is
14 responsible for any taxes associated with the monies received by each recipient.

15 35. If required by state or federal tax requirements, the Settlement Administrator will
16 prepare an IRS Form W2 and/or IRS Form 1099 for Settlement Class Members for the Wages
17 Portion and Non-Wages Portion of their Individual Settlement Share and/or Aggrieved Employees
18 for their Aggrieved Employee Payment. The Settlement Administrator will be responsible for
19 preparing these forms timely and correctly. Settlement Class Members and Aggrieved Employees
20 will be responsible for correctly characterizing the compensation that they receive pursuant to the
21 Form 1099 and for payment of any taxes owing on said amount.

22 36. The Parties acknowledge and agree that neither they nor their attorneys have made
23 any representations regarding the tax consequences of any and all payments made under this
24 Settlement Agreement. Settlement Class Members and Aggrieved Employees will be required to
25 pay all federal, state, or local taxes, if any, which are required by law to be paid with respect to any
26 and all payments made to them under the Settlement. The Parties further agree that Defendant shall
27 have no legal obligation to pay, on behalf of Settlement Class Members or Aggrieved Employees,
28 any taxes, deficiencies, levies, assessments, fines, penalties, interest or costs, which may be required

1 to be paid with respect to the settlement payments.

2 37. Tax Treatment of Enhancement Awards and Class Counsel's Award of Attorneys'
3 Fees and Costs: The Class Representatives and Class Counsel will each receive an IRS Form 1099
4 for the Class Representatives' Enhancement Awards and Class Counsel's award of Attorneys' Fees
5 and Costs, which will be prepared by the Settlement Administrator. The Class Representatives and
6 Class Counsel will be solely responsible for correctly characterizing this compensation for tax
7 purposes and for payment of any taxes owing on said amounts. Prior to receiving the payments
8 specified herein, the Class Representatives and Class Counsel each shall deliver to the Settlement
9 Administrator any necessary tax forms requested by the Settlement Administrator.

10 38. Undistributed Funds: Any checks issued by the Settlement Administrator to
11 Participating Class Members will remain valid and negotiable for one hundred and eighty (180) days
12 after the date of issuance. If a check to a Participating Class Member is returned before the
13 expiration of the 180-day period ("Returned Check"), then, within five (5) days of receipt of the
14 Returned Check, the Settlement Administrator shall undertake a skip-trace search for an alternate
15 mailing address and re-mail the Returned Check to an alternate mailing address (if one is located),
16 under a cover letter indicating that the Returned Check will continue to be valid and negotiable for
17 thirty (30) days after the date of re-mailing. In the event that any checks mailed to Settlement Class
18 Members are not cashed, deposited, or otherwise negotiated within the 180-day period, no
19 forwarding address can be located for a Returned Check, or a Returned Check is re-mailed but not
20 cashed, deposited, or otherwise negotiated within the 30-day period from the re-mailing of the
21 Returned Check, then the checks shall be cancelled by the Settlement Administrator, and the funds
22 associated with such cancelled checks shall be transmitted by the Settlement Administrator pursuant
23 to governing law to the California State Controller Unclaimed Property fund to be held there for the
24 benefit of such Class Members under California's escheatment laws, and such Class Members shall
25 nevertheless be bound to the Settlement and the Final Approval Order. The Parties agree this
26 disposition results in no "unpaid residue" under California Code of Civil Procedure § 384(b), as the
27 entire NSF shall be paid to Participating Class Members, whether or not their Individual Settlement
28 Share checks are cashed.

1 **NOTICE TO THE CLASS**

2 39. Compilation of Class List: The Parties agree that within thirty (30) calendar days
3 after preliminary approval of this Settlement Agreement by the Court, Defendant will provide a final
4 “**Class List**” to the Settlement Administrator, which list shall include the following most up to date
5 information about each Class Member in an electronic format: (a) full name; (b) most current
6 mailing address and phone number as reflected in Defendant’s personnel records; (c) Social Security
7 Number; (d) hire date of record with Defendant and termination date of record if applicable; (e)
8 number of Workweeks for each Class Member during the Settlement Period; and (f) number of
9 PAGA Pay Periods for each Aggrieved Employee during the PAGA Period. The Class List provided
10 to, updated and maintained by the Settlement Administrator shall be used only by the Settlement
11 Administrator and only for purposes of administering the settlement as provided for in this
12 Agreement, and the Settlement Administrator shall not disclose the contents thereof except as
13 expressly permitted under this Agreement. The restrictions on the use and disclosure of the Class
14 List and the Class Data List (as defined below) shall be deemed, upon entry of the Court’s Order
15 granting preliminary approval of this Settlement, to be a protective order entered by the Court
16 subject to full enforcement by the Parties to this Agreement and the Court, and by taking on the
17 administration of the Settlement, the Settlement Administrator agrees that it and its employees,
18 agents and representatives are bound by such protective order. The Settlement Administrator will
19 update addresses contained in the Class List prior to the mailing of the Notice to the Class, by using
20 the U.S. Postal Service’s National Change of Address Database. Once the final Class List has been
21 received from Defendant, and updated as stated herein, the list shall then be referred to as the “**Class**
22 **Data List.**” In response to any contention by an individual that they are a Class Member who was
23 omitted from the Class Data List, made on or before the Response Deadline, Defendant will first
24 verify the information contained in the personnel file of the individual at issue and Defendant’s
25 payroll records. Unless the individual at issue can establish that they should have been included in
26 the Class Data List, by way of supporting documentation, Defendant’s records will control. Class
27 Counsel and Defendant’s Counsel will then make a good faith effort to determine whether or not
28 the individual at issue is a Class Member. If counsel for the Parties cannot agree, then the Settlement

1 Administrator shall determine whether the individual at issue is a Class Member, who shall examine
2 the records provided by the Defendant and the individual at issue, and shall be the final arbiter of
3 whether or not the individual at issue is a Class Member, subject to final review, determination, and
4 approval by the Court. Nothing herein limits the provisions or applicability of Paragraph 24, above.

5 40. Dissemination of Notice of Class Action Settlement: Within ten (10) calendar days
6 of its receipt of the Class List, the Settlement Administrator will send the Notice to the Class
7 Members, by first-class mail, at their most current address of record or such other address as located
8 by the Settlement Administrator in conformity with Paragraph 39, in the form attached hereto as
9 Exhibit B or as otherwise approved by the Court.

10 **RELEASE BY PARTICIPATING CLASS MEMBERS**

11 **AND BY THE LWDA AND AGGRIEVED EMPLOYEES**

12 41. Release by Participating Class Members:

13 a. The “**Released Parties**” shall include LeaderStat and its affiliates, parent
14 companies, subsidiaries, shareholders, officers, partners, directors, members, owners, servants,
15 employees, employers, agents, contractors, attorneys, insurers, predecessors, representatives,
16 accountants, executors, successors, and assigns, past, present, and future, and each and all of their
17 respective shareholders, officers, partners, directors, members, owners, servants, employees,
18 employers, agents, contractors, attorneys, insurers, predecessors, representatives, accountants,
19 executors, successors, assigns, and pension, profit sharing, retirement savings, health and welfare,
20 and any other employee benefit plans of any nature and the respective trustees, administrators,
21 sponsors, fiduciaries, successors, agents, and employees of all such plans, past, present, and future,
22 and all persons acting under, by, through, or in concert with any of them (collectively, the “Released
23 Parties”).

24 b. The “**Released Class Claims**” shall include any and all allegations, claims,
25 debts, rights, demands, charges, complaints, actions, causes of action, guarantees, costs, expenses,
26 attorneys’ fees, economic damages, non-economic damages, restitution, statutory penalties,
27 liquidated damages, punitive damages, interest, obligations, liabilities, or other monies and
28 remedies, of any and every kind, contingent or accrued, that have been or could have reasonably

1 been alleged or asserted in the Operative Complaint in the Action, based on the facts, theories
2 and/or statutory violations alleged therein during the Settlement Period, including claims for or
3 based on any type of unpaid or underpaid wages; failure to provide, authorize or permit compliant
4 meal and rest periods or to pay premiums at the correct rate or at all based thereon; failure to pay
5 any wages timely or at all during and/or upon termination of employment; failure to provide
6 accurate itemized wage statements; failure to reimburse any business expenses; derivative
7 violations of the California Unfair Competition Law; and failure to pay all wages in compliance
8 with the Fair Labor Standards Act, or otherwise based in whole or in part on any direct or imputed
9 violation of any federal, state, local or administrative constitution, charter, law, rule, regulation or
10 ordinance based on the facts, theories and/or statutory violations alleged in the Operative
11 Complaint. Nothing herein expands the release of PAGA claims set forth in Paragraph 42, below.

12 c. Upon the Settlement Administrator's receipt of the GSF from Defendant,
13 Plaintiffs and the Participating Class Members shall be deemed to have released the Released
14 Parties of and from all Released Class Claims.

15 42. Release by the LWDA and the Aggrieved Employees: Upon the Settlement
16 Administrator's receipt of the GSF from Defendant, Plaintiffs, the LWDA, and the Aggrieved
17 Employees shall be deemed to have released the Released Parties of and from all claims for any
18 civil penalties recoverable under the California Labor Code, including PAGA, as well as costs and
19 attorneys' fees related thereto, predicated on any violations alleged or asserted in the Actions and/or
20 the PAGA Notices or any other related notices sent to the LWDA referenced in the Actions.

21 **ADDITIONAL RELEASE BY CLASS REPRESENTATIVES**

22 43. In addition to the releases set forth in Paragraphs 41 and 42, Plaintiffs, for themselves
23 alone as individuals, each release the Released Parties of and from any and all claims, debts,
24 liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, actions or
25 causes of action of every kind or nature, contingent or accrued, which do or may exist as of the date
26 of the execution of this Settlement Agreement and through and including the date of Final Approval
27 of this Settlement Agreement, including without limitation any claimed violations of the California
28 Labor Code. In connection therewith, Plaintiffs waive the provisions of California Civil Code

1 Section 1542, which states:

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

8 **INJUNCTION BARRING PURSUIT OF RELEASED CLAIMS**

9 44. As part of the Final Approval of the Settlement, Plaintiffs, Participating Class
10 Members, the LWDA and Aggrieved Employees shall be enjoined from filing, initiating, or
11 continuing to prosecute any actions, claims, complaints, or proceedings in court, arbitration, with
12 the California Division of Labor Standards Enforcement (“**DLSE**”), with the LWDA, or with any
13 other entity, with respect to the claims released as described in Paragraphs **41** and **42**, above. This
14 settlement is conditioned upon the release by Participating Class Members, Plaintiffs, Aggrieved
15 Employees, and the LWDA as described in Paragraphs **41** and **42**, above, and upon covenants by
16 each of them that they will not and cannot bring or participate in any actions, lawsuits, proceedings,
17 complaints, or charges brought individually, by the DLSE, the LWDA, or by any other agency,
18 persons or entity in any court, arbitration or before any administrative body with respect to the
19 claims released as described in Paragraphs **41** and **42**, above, nor will any of them contest or interfere
20 with efforts by Defendant or by any other Released Parties to oppose any attempt to bring such
21 released claims against any of them. Additionally, it is agreed herein that neither injunctive nor
22 declaratory relief, nor any equitable relief, will be ordered by the Court against Defendant in Final
23 Approval of the Settlement, which will otherwise be grounds for Defendant rescinding and
24 terminating this Settlement Agreement.

25 **DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL**

26 45. The Parties shall promptly seek the Court’s approval of this Settlement. Plaintiffs’
27 counsel will prepare Plaintiffs’ motion for preliminary approval. Not later than five (5) court days
28 prior to the submission of the motion for preliminary approval of this Settlement Agreement to the

1 Court, Class Counsel will submit a near-final draft thereof (including all supporting papers and
2 proposed order) to counsel for Defendant for their review and comment. As soon as practicable
3 after execution of this Settlement Agreement, the Class Representatives and Class Counsel shall
4 apply to the Court for the entry of a preliminary approval order which would accomplish the
5 following:

- 6 a. Schedule a hearing (“**Final Approval Hearing**”) on the question of whether
7 the Settlement, including, *inter alia*, the payment of Attorneys’ Fees and
8 Costs, Enhancement Awards, and PAGA Amount should be finally approved
9 as fair, reasonable, and adequate, and finally resolving any outstanding issues
10 or disputes remaining from the administration of the notice of the settlement;
- 11 b. Provide that Turner has conditional leave to file the FAC on the terms set
12 forth in this Agreement;
- 13 c. Conditionally certify the Class for purposes of the Settlement only;
- 14 d. Approve, as to form and content, the proposed Notice;
- 15 e. Direct the mailing of the Notice by first class mail to the Class Members;
- 16 f. Preliminarily approve the Settlement and monetary allocations for
17 awards/payments of Attorneys’ Fees and Costs, Settlement Administration
18 Costs, Enhancement Awards, and PAGA Amount, subject to the final review
19 and approval by the Court;
- 20 g. Preliminarily approve Phoenix Class Action Settlement Administrators as the
21 Settlement Administrator;
- 22 h. Preliminarily approve and appoint Plaintiffs as representatives of the Class;
23 and
- 24 i. Preliminarily approve and appoint Plaintiffs’ Counsel as counsel for the
25 Class.

26 46. Plaintiffs’ Counsel shall be responsible for ensuring that all required submittals and
27 notifications to the LWDA under PAGA regarding this Settlement are timely and properly made by
28 Plaintiffs and shall submit evidence thereof to the Court with their motion for preliminary approval

1 of this Settlement Agreement.

2 **DUTIES OF THE PARTIES FOLLOWING PRELIMINARY APPROVAL**

3 47. Plaintiffs' counsel will prepare Plaintiffs' motion for final approval. Not later than
4 five (5) calendar days prior to the submission of the motion seeking Final Approval, Class Counsel
5 will submit a near-final draft thereof (including all supporting papers and proposed order) to counsel
6 for Defendant for their review and comment. In conjunction with the request for Final Approval of
7 the Settlement provided for in this Settlement Agreement, Class Counsel will submit a proposed
8 Final Approval Order and Judgment that provides for the following:

- 9 a. Granting final approval of the Settlement, adjudging the terms thereof to be
10 fair, reasonable, and adequate, and directing consummation of its terms and
11 provisions;
- 12 b. Approving and awarding Attorneys' Fees and Costs to Class Counsel;
- 13 c. Approving and awarding the Enhancement Awards to the Class
14 Representatives;
- 15 d. Approving and awarding all payments specified in this Settlement Agreement
16 to the LWDA, Aggrieved Employees, and Participating Class Members;
- 17 e. Permanently enjoining and restraining Plaintiffs, Participating Class
18 Members, Aggrieved Employees, and the LWDA from and against initiating
19 or pursuing any claims settled herein and released by this Settlement
20 Agreement; and
- 21 f. Entering judgment in accordance with the terms of this Settlement
22 Agreement, including without limitation the permanent injunction
23 provisions.

24 **PARTIES' AUTHORITY**

25 48. The signatories hereto hereby represent that they are fully authorized to enter into
26 this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

27 **MUTUAL FULL COOPERATION**

28 49. The Parties agree to fully cooperate with each other to accomplish the terms of this

1 Settlement Agreement, including but not limited to execution of such documents and to take such
2 other actions as may reasonably be necessary to implement the terms of this Settlement Agreement.
3 The Parties shall use their best efforts, including all efforts contemplated by this Settlement
4 Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to
5 effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after
6 execution of this Settlement Agreement, Class Counsel shall, with the assistance and cooperation of
7 Defendant and its counsel, take all necessary steps to secure the Court's preliminary approval and
8 final approval of this Settlement Agreement.

9 **NO PRIOR ASSIGNMENTS**

10 50. The Parties hereto represent, covenant, and warrant that they have not, directly or
11 indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any
12 person or entity any portion of any liability, claim, demand, action, cause of action, or rights herein
13 released and discharged except as set forth herein.

14 **CONSTRUCTION**

15 51. The Parties hereto agree that the terms and conditions of this Settlement Agreement
16 are the result of lengthy, intensive, arms-length mediated negotiations between the Parties,
17 conducted under the auspices of mediator Kevin T. Barnes, a highly respected and experienced class
18 action mediator. The Parties further agree that they have each had a full opportunity to negotiate
19 the terms and conditions of this Agreement. Accordingly, the Parties expressly waive the common-
20 law and statutory rule of construction that ambiguities should be construed against the drafter of an
21 agreement, and agree, covenant, and represent that the language in all parts of this Agreement shall
22 be in all cases construed as a whole, according to its fair meaning.

23 **CAPTIONS AND INTERPRETATIONS**

24 52. Paragraph titles or captions contained herein are inserted as a matter of convenience
25 and for reference, and in no way define, limit, extend, or describe the scope of this Settlement
26 Agreement or any provision hereof. Each term of this Settlement Agreement is contractual and not
27 merely a recital.

28 **MODIFICATION**

53. This Settlement Agreement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

INTEGRATION CLAUSE

54. This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and the transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing. Specifically excluded from this integration clause are any arbitration agreements, settlement agreements and/or release agreements previously or hereafter entered into by any Class Members with and/or for the benefit of Defendant.

BINDING ON ASSIGNS

55. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors, and assigns.

SIGNATORIES

56. It is agreed that because of the large number of Participating Class Members, it is impossible or impractical to have each Participating Class Member execute this Settlement Agreement. As such, Plaintiffs are signing on behalf of the Participating Class Members. In addition, the Notice will advise all Participating Class Members of the binding nature of the release of claims under the Settlement and that such shall have the same force and effect as if this Settlement Agreement were executed by each Participating Class Member.

CONFIDENTIALITY

57. Plaintiffs and Class Counsel will maintain the proposed settlement and this Settlement Agreement as confidential and not publicly disclose the same except as set forth herein and in Paragraph **58**, below. Except as set forth in Paragraph **58**, below, or as otherwise agreed in writing between the Parties, both before and following the execution of this Settlement Agreement by the Parties and their counsel, there will be no direct or indirect comment or publication by

1 Plaintiffs and Class Counsel (lead or otherwise) of the settlement in terms of affirmative or
2 responsive media statements/comments, press releases or conferences, website postings or content,
3 social media postings or content, other Internet postings or content, subscribed email messages,
4 newsletters, disseminated updates, mass mailings, or any other comment or publication to the press,
5 media or public at large. This shall not apply to or limit the public filing of motions or other case
6 materials by Class Counsel in the Litigation related to seeking and obtaining Court approval of the
7 proposed settlement and the related awards of attorneys' fees and costs, enhancements and the other
8 relief set forth in this Settlement Agreement, or to communications between Class Counsel,
9 Plaintiffs, and/or Class Members in the Litigation, except that prior to the filing of the motion for
10 preliminary approval of the Settlement in the Litigation, Class Counsel shall not discuss the
11 Settlement with Class Members other than the named Plaintiff. Class Counsel may otherwise state
12 only that the Litigation has been settled on terms mutually agreeable to the Parties. The Parties
13 understand and agree that there may be media coverage of the settlement of the Litigation not
14 initiated by Plaintiff, directly or indirectly. It is also agreed and understood that the Parties may
15 disclose the settlement to their families, plus their legal, tax, or accounting advisors, insurance
16 companies, or as required by law, regulatory rules or regulatory requirements.

17 **WEBSITE**

18 58. The Parties agree that the Settlement Administrator will set up an information-only
19 website ("Settlement Website") to provide information about the Settlement to Class Members. The
20 Settlement Website is to be established by the Settlement Administrator solely for purposes of the
21 administration of the Settlement, and the domain name used for the website will be subject to
22 Defendant's reasonable approval. Not later than the date that the Settlement Administrator must
23 remit any funds associated with cancelled checks to Participating Class Members, as set forth in
24 Paragraph 37, the Settlement Website will be taken down. No new information about the settlement
25 may be posted on any of Class Counsel's websites except as expressly set forth herein without
26 Defendant's prior written consent, and the information about the Action currently posted on Class
27 Counsel's law firm website will be removed within 60 calendar days after the Effective Date.

28 **COUNTERPARTS**

59. This Settlement Agreement may be executed electronically and in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Settlement Agreement, which shall be binding upon and effective as to all Parties.

GOVERNING LAW

60. The Parties agree that California law governs the interpretation and application of this Settlement Agreement, except to the extent governed by federal law in which case federal law will apply.

MISCELLANEOUS PROVISIONS

61. Each Party to Bear Own Costs. Except as specifically provided herein, the Parties hereto will bear responsibility for their own attorneys' fees and costs, taxable or otherwise, incurred by them or arising out of or related to this Litigation, and will not seek reimbursement thereof from any Party to this Agreement.

62. Severability. If any of the above provisions are found null, void, or inoperative, for any reason, the remaining provisions will remain in full force and effect. Notwithstanding, the invalidation in whole or in part of any material term of this Agreement, including but not limited to all the terms and provisions specified in the releases of claims, will invalidate this Agreement in its entirety unless the Parties subsequently agree in writing that the remaining provisions will remain in force and effect.

63. Non-Evidentiary Use. Neither the fact of this Agreement, the existence of this Agreement, the terms of this Agreement, nor any order or action pursuant thereto may be referred to, relied upon, cited, or used as evidence by any of the Parties, Class Members, or their respective counsel in the Litigation or in any other action or proceeding; provided, however, that nothing contained in this section shall prevent this Agreement from being used, offered, or received in evidence in any proceeding to enforce, construe, or finalize this Agreement.

64. Advice of Counsel. The Parties to this Agreement are represented by competent counsel, and they have had an opportunity to consult with counsel. The Parties to this Agreement agree that it reflects their good faith compromise of the claims raised in this action, based upon their

assessment of the mutual risks and costs of further litigation and the assessments of their respective counsel.

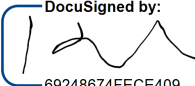
EACH OF THE UNDERSIGNED ACKNOWLEDGE THAT EACH HAS READ THE FOREGOING AGREEMENT AND ACCEPTS AND AGREES TO THE PROVISIONS CONTAINED THEREIN, AND HEREBY EXECUTES IT VOLUNTARILY WITH FULL KNOWLEDGE OF ITS CONSEQUENCES.

IT IS SO STIPULATED AND AGREED:

DATED: _____

AMY WILLIAMS
Plaintiff and Proposed Class Representative

DATED: 10/31/2024

DocuSigned by:

69248674EECE409...

KEYONA TURNER
Plaintiff and Proposed Class Representative

DATED: _____

LEADERSTAT LLC a/k/a LEADERSTAT, LTD

By: _____

Name: _____

Title: _____

AGREED AND APPROVED AS TO FORM AND CONTENT:

DATED: 10/31/24

SHAKOURI LAW FIRM

By: Ashkan Shakouri

Ashkan Shakouri, Esq.
Sharon Lin, Esq.

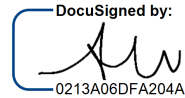
Attorneys for Plaintiffs AMY WILLIAMS and
KEYONA TURNER

1 assessment of the mutual risks and costs of further litigation and the assessments of their respective
2 counsel.

3 EACH OF THE UNDERSIGNED ACKNOWLEDGE THAT EACH HAS READ THE
4 FOREGOING AGREEMENT AND ACCEPTS AND AGREES TO THE PROVISIONS
5 CONTAINED THEREIN, AND HEREBY EXECUTES IT VOLUNTARILY WITH FULL
6 KNOWLEDGE OF ITS CONSEQUENCES.

7 **IT IS SO STIPULATED AND AGREED:**

8
9 DATED: 11/2/2024

DocuSigned by:

0213A06DFA204A1...

10 AMY WILLIAMS
11 Plaintiff and Proposed Class Representative

12 DATED: _____

13 KEYONA TURNER
14 Plaintiff and Proposed Class Representative

15 DATED: _____

16 LEADERSTAT LLC a/k/a LEADERSTAT, LTD

17 By: _____

18 Name: _____

19 Title: _____

20 **AGREED AND APPROVED AS TO FORM AND CONTENT:**

21 DATED: 10/31/24

22 **SHAKOURI LAW FIRM**

23 By: Ashkan Shakouri

24 Ashkan Shakouri, Esq.
Sharon Lin, Esq.

25 *Attorneys for Plaintiffs* AMY WILLIAMS and
26 KEYONA TURNER
27
28

1 assessment of the mutual risks and costs of further litigation and the assessments of their respective
2 counsel.

3 EACH OF THE UNDERSIGNED ACKNOWLEDGE THAT EACH HAS READ THE
4 FOREGOING AGREEMENT AND ACCEPTS AND AGREES TO THE PROVISIONS
5 CONTAINED THEREIN, AND HEREBY EXECUTES IT VOLUNTARILY WITH FULL
6 KNOWLEDGE OF ITS CONSEQUENCES.

7 **IT IS SO STIPULATED AND AGREED:**

8
9 DATED: _____

AMY WILLIAMS
Plaintiff and Proposed Class Representative

10
11
12 DATED: _____

KEYONA TURNER
Plaintiff and Proposed Class Representative

13
14
15 DATED: 10/31/24

LEADERSTAT LLC a/k/a LEADERSTAT, LTD

16 By: 

17 Name: Eleanor Alvarez

18 Title: CEO

19
20 **AGREED AND APPROVED AS TO FORM AND CONTENT:**

21 DATED: _____

SHAKOURI LAW FIRM

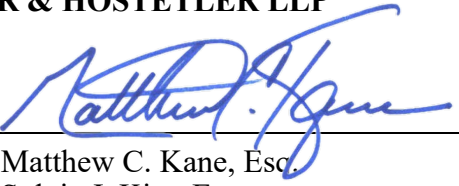
22
23 By: _____
Ashkan Shakouri, Esq.
Sharon Lin, Esq.

24
25 *Attorneys for Plaintiffs* AMY WILLIAMS and
26 KEYONA TURNER

1 DATED: October 31, 2024

BAKER & HOSTETLER LLP

2
3 By:



Matthew C. Kane, Esq.
Sylvia J. Kim, Esq.
Amy E. Beverlin, Esq.
Kerri H. Sakaue, Esq.

Attorneys for Defendant LEADERSTAT LLC

EXHIBIT A

SHAKOURI LAW FIRM

Ashkan Shakouri, Esq. [SBN 242072]

Sharon Lin, Esq. [SBN 260443]

401 Wilshire Blvd., 12th Floor

Santa Monica, California 90401

Telephone: (424) 252-4711

ash@shakourilawfirm.com

sharon@shakourilawfirm.com

Attorneys for Plaintiff

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

SUPERIOR COURT OF CONTRA COSTA COUNTY

KEYONA TURNER and AMY
WILLIAMS, on behalf of themselves and
others similarly situated

Plaintiffs,

v.

LEADERSTAT LLC; and DOES 1-20,
inclusive

Defendants.

Case No: C24-01225

**FIRST-AMENDED CLASS AND
REPRESENTATIVE ACTION COMPLAINT**

**1. VIOLATION OF CALIFORNIA LABOR
CODE § 2699, ET SEQ. (PRIVATE
ATTORNEYS GENERAL ACT)**

2. FAILURE TO PAY OVERTIME

**3. FAILURE TO AUTHORIZE AND/OR
PERMIT MEAL BREAKS OR PAY THE
LAWFUL PREMIUMS**

**4. FAILURE TO AUTHORIZE AND/OR
PERMIT REST BREAKS**

**5. FAILURE TO REIMBURSE FOR
BUSINESS-RELATED EXPENDITURES**

**6. FAILURE TO FURNISH ACCURATE
WAGE STATEMENTS**

7. WAITING TIME PENALTIES

8. UNFAIR BUSINESS PRACTICES

[AMOUNT DEMANDED EXCEEDS
\$25,000.00]

1 Plaintiffs Keyona Turner (“Plaintiff Turner”) and Amy Williams (“Plaintiff Williams”)
2 (collectively, “Plaintiffs”), individually, on behalf of themselves and all others similarly situated,
3 hereby allege the following facts and claims against Defendant LeaderStat LLC, an Ohio
4 corporation (“Defendant”), and respectfully requests a trial by jury of all issues and causes of
5 action so triable. Unless otherwise specified, Defendant and Does 1-20 will collectively be
6 referred to as “Defendants.”

7 **INTRODUCTION**

8 1. This class action complaint challenges Defendants’ past and ongoing unlawful
9 conduct on behalf of Plaintiffs and other similarly situated former and current employees of
10 Defendants, whose rights Defendants violated and continues to violate under California law.

11 2. Specifically, as to Plaintiffs and others similarly situated, Defendants have:

- 12 a. Failed and continue to fail to pay lawful overtime rate for all overtime hours
13 worked in violation of Labor Code §§ 510 and 1194 and the Applicable Wage
14 Orders;
- 15 b. Failed and continue to fail to authorize or permit lawful meal breaks in violation
16 of Labor Code §§ 226.7 and 512 and the Applicable Wage Orders;
- 17 c. Failed and continue to fail to authorize or permit lawful rest breaks in violation of
18 Labor Code §§ 226.7 and the Applicable Wage Orders;
- 19 d. Failed and continues to fail to reimburse for all business-related expenditures in
20 violation of Labor Code § 2802;
- 21 e. Failed and continue to fail to timely furnish complete and accurate itemized wage
22 statements in violation of Labor Code § 226 and the Applicable Wage Orders;
- 23 f. Willfully failed to pay, without abatement or reduction, all final wages owed in
24 accordance with Labor Code §§ 201 or 202 and in violation of Labor Code § 203;
25 and
- 26 g. Committed and continue to commit unfair business practices in violation of
27 Business & Professions Code §17200, et seq.
28

1 3. The acts complained of herein occurred and will occur, at least in part, within the
2 time-period of four (4) years preceding the filing of the original Complaint up to and through the
3 time of trial.

4 **JURISDICTION AND VENUE**

5 4. This Court has jurisdiction over Defendants because they are entities with
6 sufficient minimum contacts in California, and/or because they intentionally availed themselves
7 of the California market so as to render the exercise of jurisdiction over them by the California
8 courts consistent with traditional notions of fair play and justice.

9 5. Pursuant to Code of Civil Procedure § 395(a) venue is proper in this County since
10 at least some of the acts and omissions that are the subject matter of this Complaint occurred
11 herein and/or Defendants are found, maintain offices, transact business, exist and/or have an
12 agent herein.

13 **PARTIES**

14 6. At all relevant times mentioned herein, Plaintiff Turner was a Certified Nursing
15 Assistant and a resident of the State of Maryland.

16 7. At all relevant times mentioned herein, Plaintiff Williams was a nurse and a
17 resident of the State of Ohio.

18 8. Upon information and belief, Defendant is an employment staffing agency and is,
19 and at all times herein mentioned was, an Ohio corporation duly authorized to do business in
20 California. In particular, Defendant employs, compensates and assigns healthcare professionals
21 to work at various kinds of healthcare facilities throughout California.

22 9. The true names or capacities, whether individual, associate or otherwise, of Does
23 1-20, inclusive, are unknown to Plaintiffs and, therefore, Plaintiffs sue these doe defendants by
24 such fictitious names. Plaintiffs will seek leave of this Court to amend this Complaint to allege
25 such names and capacities as soon as they are ascertained. Upon information and belief, each of
26 these fictitiously named defendants is responsible in some manner for the occurrences alleged
27 herein, and Plaintiffs' injuries and damages as alleged and set forth herein were proximately
28 caused by such fictitiously named defendants.

1 10. Upon information and belief, Plaintiffs allege that at all relevant times each of the
2 Defendants was the principal, agent, employer, employee, partner, joint venturer, officer, director,
3 controlling shareholder, subsidiary, affiliate, parent corporation, successor in interest and
4 predecessor in interest of some or all of the other defendants, and was engaged with some or all
5 of the other Defendants in a joint enterprise for profit, and bore such other relationships to some
6 or all of the other Defendants so as to be liable for the conduct of each of them.

7 11. Upon information and belief, Plaintiffs allege that each Defendant acted pursuant
8 to and within the scope of the relationships alleged above, that each Defendant knew or should
9 have known about, authorized, ratified, adopted, approved, controlled, aided and abetted the
10 conduct of all other defendants, and/or that each Defendant acted pursuant to a conspiracy and
11 agreement to do the things alleged herein.

12 **FACTUAL ALLEGATIONS**

13 12. Defendants hired, paid, and assigned Plaintiff Turner to work a travel assignment
14 as a non-exempt, hourly-paid travel Certified Nursing Assistant at ManorCare Health Services-
15 Palm Desert in Palm Desert, California, from on or about February 2022 until on or about April
16 2022. Employer then assigned Claimant to work another travel assignment as a non-exempt,
17 hourly-paid travel Certified Nursing Assistant at the Little Sisters of the Poor at St. Anne's Home
18 in San Francisco, California, from on or about November 2022 until on or about March 2023.

19 13. Defendants hired, paid, and assigned Plaintiff Williams to work a travel
20 assignment as a non-exempt, hourly-paid travel nurse at a skilled nursing facility in Corona Del
21 Mar, California, from on or about August 8, 2020 until on or about September 25, 2020.
22 Defendants then assigned Plaintiff Williams to work another travel assignment as a non-exempt,
23 hourly-paid travel nurse at a skilled nursing facility in Fremont, California, from on or about
24 December 7, 2020 until on or about January 9, 2021. Plaintiff Williams has resigned from her
25 employment with Defendants.

26 **I. Defendants' Failure to Pay All Overtime or Double Time Owed**

27 14. Pursuant to Labor Code §§ 200, 226, 500, 510 and 1198 and the applicable
28 California Industrial Welfare Commission Wage Orders ("Applicable Wage Orders") at all times

relevant hereto, employers are required to compensate non-exempt employees for all worked overtime hours, which is calculated at one and one-half times the regular rate of pay for all hours worked in excess of 8 hours per day and/or 40 hours per week. Employers are also required to compensate non-exempt employees for all hours worked in excess of 12 hours in any workday at double their regular rate of pay.

15. Defendants, from time to time, failed to pay overtime rates for all overtime hours worked by its non-exempt employees. For instance, Plaintiff Williams' time card shows that she worked 4.17 hours of overtime for the week spanning from December 13, 2020 to December 9, 2020. However, Defendants did not pay Plaintiff Williams overtime pay for these hours in violation of Labor Code § 510(a), requiring payment of overtime for time worked in excess of 8 hours a day and payment of double time for time worked in excess of 12 hours a day.

II. Defendants' Failure to Pay for All Hours Worked, Including Failure to Pay Minimum Wage

16. In California, an employer is required to compensate its non-exempt employees for all hours worked pursuant to the Applicable Wage Orders and Labor Code §§ 200, 223, 226, 500, 510, 1197 and 1198. Furthermore, under Labor Code §§ 1194, 1194.2, and 1197, it is unlawful for an employer to suffer or permit a California employee to work without paying at least minimum wage for all time worked as required by the Applicable Wage Orders.

17. During the applicable recovery period, Defendants have had a practice of failing to compensate non-exempt employees for all their worked hours by not paying for all hours recorded on their time cards, and by engaging in improper rounding and auto-deduct practices with respect to meal breaks, so that when non-exempt employees worked during their supposed meal breaks, Defendants failed to pay them for such time.

III. Defendants' Failure to Authorize and/or Permit Lawful Meal or Rest Breaks

18. During the applicable recovery period, Defendants have, from time to time, not authorized or permitted their non-exempt employees to take lawful meal or rest breaks under California law. In particular, Plaintiffs and other non-exempt employees received short, late, interrupted, and/or no meal or rest breaks at all due to, among other reasons, work overload and

1 staffing shortages. For instance, Plaintiff Williams’ time card shows that she worked an 8.5-hour
2 shift on December 31, 2020 and expressly provides that she received “No Lunch” for that shift.
3 Moreover, Plaintiff Williams’ time card shows that she worked an 11.25-hour shift for September
4 4, 2020 and further shows that her first meal break started 5.5 hours after the start of that shift.
5 Additionally, Plaintiff Williams’ time card shows that she worked a 10.25-hour shift on January
6 4, 2021 and expressly provides that she did not receive either of her meal breaks for that shift.
7 However, Defendants did not pay Plaintiff Williams meal break premiums for any of these non-
8 compliant meal breaks, as required under California law.

9 19. Labor Code § 512 provides, “[a]n employer may not employ an employee for a
10 work period of more than five hours per day without providing the employee with a meal period
11 of not less than 30 minutes...An employer may not employ an employee for a work period of
12 more than 10 hours per day without providing the employee with a second meal period of not
13 less than 30 minutes...” Labor Code § 226.7(a) provides, “[n]o employer shall require an
14 employee to work during any meal or rest period mandated by an applicable order of the
15 Industrial Welfare Commission.”

16 20. During the applicable recovery period, Defendants’ non-exempt employees
17 regularly worked in excess of 5-hour work periods without being authorized and/or permitted to
18 take a lawful first and/or second meal break, as required by Labor Code §§ 226.7, 512 and the
19 Applicable Wage Orders, due to, among other reasons, work overload and staffing shortages.

20 21. During the applicable recovery period, Defendants’ non-exempt employees
21 regularly worked in excess of 4-hour work periods, or fractions thereof, without being authorized
22 and/or permitted to take a lawful first, second, third, and/or fourth rest breaks, as required by
23 Labor Code §§ 226.7 and the Applicable Wage Orders, due to, among other reasons, work
24 overload and staffing shortages.

25 **V. Defendants’ Failure to Reimburse Necessary Business Expenditures**

26 22. An employer is required to reimburse its employees for all necessary expenditures
27 incurred by the employee in direct consequence of the discharge of his or her job duties or in
28

1 direct consequence of his or her obedience to the directions of the employer. Labor Code section
2 2800 and 2802.

3 23. During the applicable recovery period, Defendants have, from time to time, failed
4 to reimburse their non-exempt employees, including Plaintiffs, for the cost of using their personal
5 mobile phones for work purposes.

6 **IV. Defendants' Failure to Pay Wages Due Upon Termination**

7 24. An employee who is discharged must be paid all of his or her wages, including
8 accrued vacation, immediately at the time of termination. Labor Code §§ 201 and 227.3. Pursuant
9 to Labor Code §202 (a), "[i]f an employee not having a written contract for a definite period quits
10 his or her employment, his or her wages shall become due and payable not later than 72 hours
11 thereafter."

12 25. Labor Code §203 provides a penalty for the willful failure to pay all wages due to
13 an employee who is discharged or quits. This penalty consists of an amount equal to the sum of
14 the employee's wages at the employee's prior rate of pay, until the unpaid wages are paid, in an
15 amount not to exceed the equivalent of 30 days' pay.

16 26. During the applicable recovery period, Plaintiffs and some of Defendants' non-
17 exempt employees have separated from Defendants as a result of being discharged or having
18 voluntarily resigned their employment.

19 27. While working for Defendants, Plaintiffs were entitled to compensation for the
20 violations set forth herein, but Defendants intentionally and willfully failed to pay all wages due
21 to them at the time of separation in violation of statutes cited above.

22 28. Upon information and belief, Defendants, from time to time, also intentionally
23 and willfully did not pay other non-exempt employees all their owed wages at the time of
24 separation in violation of statutes cited above. Plaintiffs do not allege that all separated non-
25 exempt employees are owed waiting time penalties or that they are owed the full 30-day penalty
26 under Labor Code §203, because it is unknown to Plaintiffs at this time whether Defendants paid
27 some of the separated non-exempt employees all their owed wages upon separation or paid them
28 all their owed wages less than 30 days after their separation.

1 **V. Defendants' Failure to Furnish Accurate Wage Statements**

2 29. During the applicable recovery period, Defendants have, from time to time, not
3 furnished accurate wage statements not only because those wage statements fail to accurately
4 display the amount of wages and premiums owed to their non-exempt employees but also because
5 such wage statements fail to accurately display the number of hours worked by them.

6 30. This claim is brought under Labor Code §226(a), which sets forth reporting
7 requirements for employers when paying wages, including that every employer shall furnish each
8 of his or her employees an itemized statement in writing showing, among other things, (1) gross
9 wages earned, (2) total hours worked by the employee, (3) net wages earned, (4) all applicable
10 hourly rates in effect during the pay period, (5) the corresponding number of hours worked at
11 each hourly rate, and (6) the name and address of the legal entity that is the employer.

12 31. Labor Code §226(e) provides that an employee suffering injury as a result of a
13 knowing and intentional failure by an employer to comply with subdivision (a) is entitled to
14 recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which
15 a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent
16 pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000), and is entitled
17 to an award of costs and reasonable attorneys' fees.

18 32. Defendants, from time to time, knowingly and intentionally failed to provide non-
19 exempt employees with paycheck deduction statements accurately displaying the information
20 required by Labor Code §226(a).

21 33. As a direct and proximate result of Defendants' conduct as alleged above, non-
22 exempt employees affected by said violations are each entitled to a civil penalty of \$50 for the
23 initial pay period and \$100 for each subsequent pay period in which Defendants violated the
24 reporting requirements of Labor Code §226, up to a maximum of \$4,000. Additionally, under
25 Labor Code §226.3, Defendants are subject to a civil penalty in the amount of \$250 per non-
26 exempt employee per violation in an initial citation and \$1,000 per non-exempt employee for
27 each violation in a subsequent citation, for which they failed to provide them a wage deduction
28 statement or fails to keep their wage statements as required under Labor Code §226(a).

1 **CLASS ACTION ALLEGATIONS**

2 34. This action is brought and may properly be maintained as a class action pursuant
3 to the provisions of Code of Civil Procedure § 382.

4 35. Plaintiffs reserve the right under California Rules of Court, Rule 1855 (b) to
5 amend or modify the description of the class, as defined below, with greater specificity or further
6 division into sub-classes, or limitation to certain issues.

7 36. Pursuant to Code of Civil Procedure § 382, this action qualifies as a class action
8 because there is a well-defined community of interest in the litigation and the proposed class is
9 easily ascertainable.

10 37. For the purposes of this Complaint, “Class Period” means any time from four
11 years prior to the filing of this Complaint until the date of class certification.

12 38. The putative class Plaintiffs will seek to certify are currently composed of and
13 defined as follows:

14 All of Defendants’ non-exempt employees who were assigned to work at any
15 facility inside California during the Class Period and who have not signed
16 individual release agreements with Defendants (the “Class”).

17 39. **Numerosity:** Pursuant to Code of Civil Procedure § 382, the members of the Class
18 are so numerous that their individual joinder is impracticable. The precise number of class
19 members and their addresses will be known to Plaintiffs through discovery. Class members may
20 be notified of the pendency of this action by mail, electronic mail, the internet, or published
21 notice.

22 40. **Common Questions Predominate:** Common questions of law and fact exist as
23 to all members of the Class and predominate over any questions that affect only individual
24 members of the Class. The predominant common questions of law and fact include:

25 a. Whether Defendants failed and continue to fail to pay lawful overtime rates for
26 all overtime hours worked in violation of Labor Code §§ 510 and 1194 and the
27 Applicable Wage Orders;
28

- b. Whether Defendants failed and continue to fail to authorize and/or permit lawful meal breaks in violation of Labor Code §§ 226.7 and 512 and the Applicable Wage Orders;
- c. Whether Defendants failed and continue to fail to authorize and/or permit lawful rest breaks in violation of Labor Code §§ 226.7 and the Applicable Wage Orders;
- d. Whether Defendants failed and continue to fail to reimburse for all business-related expenditures in violation of Labor Code § 2802;
- e. Whether Defendants failed and continue to fail to timely furnish complete and accurate itemized wage statements in violation of Labor Code § 226 and the Applicable Wage Orders;
- f. Whether Defendants willfully failed to pay, without abatement or reduction, all final wages owed in accordance with Labor Code §§ 201 or 202 and in violation of Labor Code § 203; and
- g. Whether Defendants committed and continues to commit unfair business practices in violation of Business & Professions Code § 17200, et seq.

41. **Typicality:** Plaintiffs' claims are typical of the claims of the members of the Class they seek to represent because Plaintiffs, as employees of Defendants, were exposed and subjected to the same unlawful business practices as the other members of the Class. Thus, Plaintiffs and the members of the Class they seek to represent sustained the same types of damages and losses.

42. **Adequacy:** Plaintiffs will fairly and adequately protect the interests of the Class. Plaintiffs' attorneys have experience in employment and class action matters and may adequately represent the class in this matter. Plaintiffs have no adverse interests to those in the Class.

43. **Superiority:** A class action is superior to other available means for the fair and efficient adjudication of this controversy. Because individual joinder of all members of each of the Class is impractical, class action treatment will permit a large number of similarly situated persons to prosecute their common claims in a single forum simultaneously, efficiently and without the unnecessary duplication of effort and expense that numerous individual actions

1 would engender. The relatively minor amount of individual damages in question coupled with
2 the expenses and burdens of individual litigation would make it difficult or impossible for
3 individual members of the Class to redress the wrongs done to them, while important public
4 interests will be served by addressing the matter as a class action. The cost to and burden on the
5 court system of adjudication of individualized litigation would be substantial and substantially
6 more than the costs and burdens of a class action. Individualized litigation would also present the
7 potential for inconsistent or contradictory judgments.

8 **FIRST CAUSE OF ACTION**

9 **Violation of California Labor Code § 2699, Et Seq.**

10 **(Against All Defendants)**

11 44. Plaintiffs hereby incorporates by reference all other allegations contained in this
12 Complaint as though fully set forth herein.

13 45. Plaintiffs bring this cause of on behalf of themselves and all other non-exempt
14 employees of Defendants who were assigned to work at a healthcare facility inside California
15 and who were subject to at least one of the violations alleged herein during the applicable
16 recovery period and who have not signed an individual release agreement with Defendants
17 (“Aggrieved Employees”) in their capacity as private attorneys general pursuant to the PAGA.
18 Aggrieved Employees includes Plaintiffs.

19 46. Defendants committed violations of the Labor Code against Plaintiffs and the
20 Aggrieved Employees as alleged in this Complaint, including, but not limited to, the following:

- 21 a. Failed and continue to fail to pay overtime and the proper overtime rates for all
22 overtime hours worked in violation of Labor Code §§ 510, 1194, and the
23 Applicable Wage Orders;
- 24 b. Failed to pay all wages earned and owed in violation of Labor Code § 200, and
25 the Applicable Wage Orders;
- 26 c. Failed and continue to fail to pay minimum wage for all hours worked in
27 violation of Labor Code §§ 1194 and 1197, and the Applicable Wage Orders;
- 28

- d. Failed and continue to fail to authorize and/or permit meal periods in violation of Labor Code §§ 226.7, 512, and the Applicable Wage Orders;
- e. Failed and continue to fail to authorize and/or permit rest periods in violation of Labor Code §§ 226.7, and the Applicable Wage Orders;
- f. Failed and continue to fail to reimburse for all business-related expenditures in violation of Labor Code § 2802;
- g. Failed and continue to fail to timely furnish itemized wage statements in violation of Labor Code § 226, and the Applicable Wage Orders; and
- h. Willfully failed, and willfully continue to fail, to pay without abatement or reduction, all final wages owed in accordance with Labor Code §§ 201 and 202 and in violation of Labor Code § 203.

47. On February 12, 2024, Plaintiff Turner sent a written notice to Defendant and the Labor and Workforce Development Agency (“LWDA”) notifying them of the specific violations and the facts and theories supporting those violations. More than 60 days have passed since the date the notice was mailed to Defendant and the LWDA. A true and correct copy of Plaintiff Turner’s written notice to Defendant and the LWDA is attached hereto as “Exhibit 1,” which Plaintiffs incorporate by reference as though fully set forth herein.

48. On April 27, 2023, Plaintiff Williams sent a written notice to Defendant and the LWDA notifying them of the specific violations and the facts and theories supporting those violations. More than 60 days have passed since the date the notice was mailed to Defendant and the LWDA. A true and correct copy of Plaintiff Williams’ written notice to Defendant and the LWDA is attached hereto as “Exhibit 2,” which Plaintiffs incorporate by reference as though fully set forth herein

49. Plaintiffs, individually and on behalf of the Aggrieved Employees and the State of California, seek to recover all civil penalties and all underpaid wages allowed under Labor Code §§ 558, 2698, 2699, 2699.3 and 2699.5 for which Defendants are liable as a result of their violations of the Labor Code during the applicable recovery period, all in an amount to be proven at trial. These include, but are not limited to, penalties pursuant to Labor Code § 210 for violations

1 of Labor Code §§ 201, 202, 203 and 204; penalties pursuant to Labor Code § 226.3 for violations
2 Labor Code § 226 and the Applicable Wage Orders; penalties and underpaid wages pursuant to
3 Labor Code § 558, including an amount sufficient to recover underpaid wages due for violations
4 of the Labor Code §§ 226.7 and 558 and the Applicable Wage Orders; and penalties pursuant to
5 Labor Code § 1197.1 for violations Labor Code §§ 1182, 1182.12, and 1198 and the Applicable
6 California Wage Orders.

7 **SECOND CAUSE OF ACTION**
8 **FAILURE TO PAY OVERTIME**
9 **(Against All Defendants)**

10 50. Plaintiffs hereby incorporate by reference all other allegations contained in this
11 Complaint as though fully set forth herein.

12 51. Pursuant to Labor Code §§ 200, 226, 500, 510 and 1198 and the Applicable Wage
13 Orders at all times relevant hereto, Defendants were required to compensate Plaintiffs and the
14 Class for all overtime hours worked, which is calculated at one and one-half times the regular
15 rate of pay for all hours worked in excess of 8 hours per day and/or 40 hours per week. Defendants
16 were also required to compensate Plaintiffs and the Class for all hours worked in excess of 12
17 hours in any workday at double their regular rate of pay. Additionally, under California law,
18 Defendants were required to include any payments for work in the regular rate of pay for overtime
19 and double-time calculation purposes.

20 52. As fully alleged above, during the applicable recovery period, Plaintiffs and the
21 Class were not fully paid for all the overtime and/or double-time payments legally owed to them.

22 53. As a direct result of aforementioned violations, Plaintiffs and the Class have
23 suffered, and continue to suffer, substantial losses related to the use and enjoyment of such wages,
24 lost interest on such wages, and expenses and attorneys' fees in seeking to compel Defendants to
25 fully perform its obligations under state law, all to their respective damage in amounts according
26 to proof at time of trial, but in amounts in excess of the jurisdiction of this Court.
27
28

1 54. Pursuant to Labor Code §§ 200, 203, 218.5, 226, 558, and 1194, Plaintiffs and the
2 Class are entitled to recover owed overtime and double-time compensation from Defendants and
3 civil penalties, plus interest penalties, attorneys' fees, expenses, and costs of suit.

4 **THIRD CAUSE OF ACTION**

5 **FAILURE TO AUTHORIZE AND/OR PERMIT MEAL BREAKS OR PAY THE**
6 **LAWFUL PREMIUMS**

7 **(Against All Defendants)**

8 55. Plaintiffs hereby incorporate by reference all other allegations contained in this
9 Complaint as though fully set forth herein.

10 56. Labor Code § 226.7(a) provides, "No employer shall require any employee to
11 work during any meal or rest period mandated by an applicable order of the Industrial Welfare
12 Commission."

13 57. Labor Code § 512(a) provides, in relevant part, that: "An employer may not
14 employ an employee for a work period of more than five hours per day without providing the
15 employee with a meal period of not less than 30 minutes, except that if the total work period per
16 day of the employee is no more than six hours, the meal period may be waived by mutual consent
17 of both the employer and employee. An employer may not employ an employee for a work period
18 of more than 10 hours per day without providing the employee with a second meal period of not
19 less than 30 minutes, except that if the total hours worked is no more than 12 hours, the second
20 meal period may be waived by mutual consent of the employer and the employee only if the first
21 meal period was not waived."

22 58. During the applicable recovery period, Defendants did not, from time to time,
23 authorize and/or permit Plaintiffs and the Class to take legally-complaint first or second meal
24 breaks when they worked long enough to be entitled to meal breaks under California.

25 59. During the applicable recovery period, Defendants, from time to time, failed to
26 pay Plaintiffs and the Class premium wages mandated by Labor Code § 226.7(b) for these
27 unlawful meal breaks. As a result of violations of Labor Code §§ 226.7 and 512 and the
28

1 Applicable Wage Orders, Defendants are liable for civil penalties pursuant to Labor Code §§ 558
2 and 2698 et seq.

3 60. Plaintiffs and the Class are entitled to recover one additional hour of pay at their
4 regular rate of compensation with Defendants for each work day that a meal break was not
5 authorized and/or permitted. Plaintiffs and the Class are also entitled to their costs and reasonable
6 attorneys' fees, according to proof and to interest on all due and unpaid wages at the legal rate of
7 interest.

8 **FOURTH CAUSE OF ACTION**

9 **FAILURE TO AUTHORIZE AND/OR PERMIT REST BREAKS**

10 **(Against All Defendants)**

11 61. Plaintiffs hereby incorporate by reference all other allegations contained in this
12 Complaint as though fully set forth herein

13 62. California Labor Code § 226.7(a) provides, "No employer shall require any
14 employee to work during any meal or rest period mandated by an applicable order of the
15 Industrial Welfare Commission."

16 63. The Applicable Wage Orders require that employers authorize or permit
17 nonexempt employees to take a rest break that must, insofar as practicable, be taken in the middle
18 of each work period. The rest break is based on the total hours worked daily and must be at the
19 minimum rate of a net ten consecutive minutes for each four-hour work period, or major fraction
20 thereof.

21 64. Pursuant to Labor Code § 226.7, if an employer fails to authorize or permit an
22 employee a rest break in accordance with an applicable Wage Orders, the employer shall pay the
23 employee one additional hour of pay at the employee's regular rate of pay for each workday that
24 the rest break is not provided. The provisions of the Applicable Wage Orders state that the rest
25 break is defined as a "net" ten minutes, which means that the rest break begins when the employee
26 reaches an area away from the work area that is appropriate for rest.
27
28

1 65. During the applicable recovery period, Defendants did not, from time to time,
2 authorize and/or permit Plaintiffs and the Class to take legally-complaint rest breaks when they
3 worked long enough to be entitled to rest breaks under California.

4 66. During the applicable recovery period, Defendants, from time to time, failed to
5 pay Plaintiffs and the Class any premium wages, or the correct premium wages, mandated by
6 Labor Code § 226.7(b) for these unlawful rest breaks. As a result of violations of Labor Code §§
7 226.7 and the Applicable Wage Orders, Defendants are liable for civil penalties pursuant to Labor
8 Code §§ 558 and 2698 et seq.

9 67. Plaintiffs and the Class are entitled to recover one additional hour of pay at their
10 regular rate of compensation with Defendants for each work day that a rest break was not
11 authorized and/or permitted. Plaintiffs and Class are also entitled to their costs and reasonable
12 attorneys' fees, according to proof and to interest on all due and unpaid wages at the legal rate of
13 interest.

14 **FIFTH CAUSE OF ACTION**

15 **FAILURE TO REIMBURSE FOR BUSINESS-RELATED EXPENDITURES**

16 **(Against All Defendants)**

17 68. Plaintiffs hereby incorporate by reference all other allegations contained in this
18 Complaint as though fully set forth herein.

19 69. Labor Code § 2802 (a) provides, "An employer shall indemnify his or her
20 employee for all necessary expenditures or losses incurred by the employee in direct consequence
21 of the discharge of his or her duties, or of his or her obedience to the directions of the employer,
22 even though unlawful, unless the employee, at the time of obeying the directions, believed them
23 to be unlawful."

24 70. As alleged above, during the applicable recovery period, Defendants knew, or had
25 reason to know that Plaintiffs were using their mobile cell phones for work purposes but, from
26 time to time, failed to reimburse them for such business expense.
27
28

1 77. As a direct and proximate result of Defendants' conduct as alleged above,
2 Plaintiffs and the affected members of the Class are entitled to a civil penalty of \$50 for the initial
3 pay period and \$100 for each subsequent pay period in which Defendants violated the reporting
4 requirements of Labor Code § 226, up to a maximum of \$4,000.

5 **SEVENTH CAUSE OF ACTION**

6 **WAITING TIME PENALTIES**

7 **(Against All Defendants)**

8 78. Plaintiffs hereby incorporate by reference all other allegations contained in this
9 Complaint as though fully set forth herein.

10 79. Labor Code §§ 201 and 202 require that an employer pay all wages due to an
11 employee after said employee is discharged or quits.

12 80. Labor Code § 203 provides a penalty for the willful failure to pay all wages due
13 to an employee who is discharged or quits. This penalty consists of an amount equal to the sum
14 of the employee's wages at the employee's prior rate of pay, until the unpaid wages are paid, in
15 an amount not to exceed the equivalent of 30 days' pay.

16 81. During the applicable recovery period, Plaintiffs and some members of the Class
17 have separated from Defendants as a result of being discharged or having voluntarily resigned
18 their employment.

19 82. While working for Defendants, Plaintiffs were entitled to compensation for the
20 violations set forth in this Complaint, but Defendants failed to pay all wages due to them at the
21 time of separation in violation of statutes cited above.

22 83. Upon information and belief, Defendants, from time to time, also did not pay other
23 members of the Class all their owed wages at the time of separation. Plaintiffs do not allege that
24 all separated members of the Class are owed waiting time penalties or that they are owed the full
25 30-day penalty under Labor Code § 203, because it is unknown to Plaintiffs at this time whether
26 Defendants paid some of the separated members of the Class all their owed wages upon
27 separation or paid them all their owed wages less than 30 days after their separation.
28

EIGHTH CAUSE OF ACTION
UNFAIR BUSINESS PRACTICES
(Against All Defendants)

84. Plaintiffs hereby incorporate by reference all other allegations contained in this Complaint as though fully set forth herein.

85. Defendants have, from time to time, engaged in unfair business practices in California by practicing, employing and utilizing the employment practices outlined in this Complaint by requiring its non-exempt employees to perform the labor complained of herein without proper compensation. Defendants' utilization of such unfair business practices constitutes unfair competition and provides an unfair advantage over its competitors.

86. Plaintiffs and the Class seek full restitution and disgorgement of monies, as necessary and according to proof, to restore any and all monies withheld, acquired and/or converted by Defendants by means of the unfair practices complained of herein.

87. Plaintiffs and the Class seek, on their own behalf and on behalf of the general public, the appointment of a receiver, as necessary. The acts complained of herein occurred, at least in part, within the last four (4) years preceding the filing of the original complaint in this action.

88. Upon information and belief, Plaintiffs allege that at all times herein mentioned Defendants have, from time to time, engaged in unlawful, deceptive and unfair business practices, as proscribed by Business and Professions Code § 17200 et seq., including those set forth in the Complaint herein, thereby depriving Plaintiffs and the Class, and other members of the general public the minimum working condition standards and conditions due to them under the California labor laws and the applicable Wage Orders as specifically described herein.

89. Plaintiffs and the Class are further entitled to and do seek both a declaration that the above-described business practices are unfair, unlawful and/or fraudulent and to a permanent injunction requiring Defendants to pay all outstanding wages due to Plaintiffs and the Class.

1 Plaintiffs and the Class have no other adequate remedy at law to ensure future compliance with
2 the California labor laws and the Applicable Wage Orders alleged to have been violated herein.

3 **PRAYER FOR RELIEF**

4 WHEREFORE, Plaintiffs, on behalf of themselves and all others similarly situated, pray
5 for relief and judgment against Defendants as follows:

6 1. Certification of this action as a class action on behalf of each of the Class alleged
7 in this Complaint;

8 2. For general damages, according to proof, on each cause of action for which such
9 damages are available;

10 3. For compensatory damages, according to proof, on each cause of action for which
11 such damages are available;

12 4. For restoration and restitution of lost wages, statutory penalties, and all other
13 remedies afforded under the Labor Code on all causes of action for violation of the Labor Code;

14 5. For all civil penalties recoverable under PAGA;

15 6. For declaratory and injunctive relief as requested herein;

16 7. For prejudgment and post-judgment interest according to law;

17 8. For reasonable attorneys' fees incurred in this action on those causes of action for
18 which such fees are recoverable under the law;

19 9. For costs of suit incurred in this action;

20 10. Restitutionary disgorgement of all wages earned by the Class but retained by
21 Defendants; and

22 11. For such other relief and remedies, whether in law or equity, that the Court deems
23 just and proper.

1 Dated: October 31, 2024

Respectfully submitted,

2 **SHAKOURI LAW FIRM**

3
4 By: Ashkan Shakouri
Ashkan Shakouri
5 Sharon Lin
6 Attorneys for Plaintiffs
7

8 **DEMAND FOR JURY TRIAL**

9
10 Plaintiffs demand a jury trial on issues triable to a jury.

11 Dated: October 31, 2024

Respectfully submitted,

12 **SHAKOURI LAW FIRM**

13
14 By: Ashkan Shakouri
15 Ashkan Shakouri
16 Sharon Lin
17 Attorneys for Plaintiffs
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EXHIBIT 1

SHAKOURI LAW FIRM
Employment & Civil Litigation

11601 Wilshire Blvd, Fifth Floor
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February 12, 2024

Via Online Filing:

California Labor & Workforce
Development Agency

800 Capitol Mall, Suite 5000 (MIC-55)
Sacramento, CA 95814

455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

Via Certified U.S. Mail:

LeaderStat LLC
1322 B Manning Pkwy
Powell, OH 43065

LeaderStat LLC
c/o
Registered Agent Solutions, Inc.
720 14th Street
Sacramento, CA

Matthew C. Kane
BakerHostetler
11601 Wilshire Blvd., Suite 1400
Los Angeles, CA 90025-0509

Re: *PAGA Notice Pursuant to California Labor Code § 2699*

Claimant: Keyona Turner
Employer: LeaderStat LLC

Dear Sir or Madam:

Claimant Keyona Turner (“Claimant”) has retained Ashkan Shakouri of Shakouri Law Firm to represent her, and all other aggrieved employees, for wage and hour claims against her employer LeaderStat LLC (“Employer”).

During the relevant period Employer has violated, and/or has caused to be violated, several Labor Code provisions and are therefore liable for civil penalties under Labor Code § 2698, *et seq.* We request that your agency investigate the claims alleged herein or permit Claimant to seek civil penalties under the Private Attorney General Act (“PAGA”) on behalf of the Labor and Workforce and development Agency (“LWDA”) and the State of California in a representative action. This letter will serve as notice of these allegations pursuant to Labor Code § 2699.3.

Claimant is bringing these PAGA claims on behalf of herself and all other non-exempt employees of Employer who were assigned to work at a healthcare facility inside California and who were subject to at least one of the violations alleged herein during the applicable recovery period (“Aggrieved Employees”). Aggrieved Employees include Claimant.

Claimant personally suffered some of the Labor Code violations committed by Employer, while other violations, though not personally suffered by her, were suffered, and continue to be suffered, by other Aggrieved Employees. As held in *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal.App.5th 745, 758, “[b]y the plain language of the statute, an aggrieved employee need only suffer one of the Labor Code violations alleged against his or her employer to be able to bring a PAGA claim on behalf of himself or herself and current or former employees who suffered any Labor Code violation at the hands of the employer. Claimant need not have actually suffered all of the Labor Code violations that he alleges to have taken place for purposes of seeking PAGA penalties.” (citation omitted). Accordingly, Claimant plans to pursue penalties for all the violations committed by Employer against the Aggrieved Employees, including those she did not personally suffer.

Claimant’s Employment with Employer

Employer hired, paid and assigned Claimant to work a travel assignment as a non-exempt, hourly-paid travel Certified Nursing Assistant at ManorCare Health Services-Palm Desert in Palm Desert, California, from on or about February 2022 until on or about April 2022. Employer then assigned Claimant to work another travel assignment as a non-exempt, hourly-paid travel Certified Nursing Assistant at the Little Sisters of the Poor at St. Anne’s Home in San Francisco, California, from on or about November 2022 until on or about March 2023.

Employer’s Failure to Pay All Overtime or Double Time Owed

Pursuant to Labor Code §§ 200, 226, 500, 510 and 1198 and the Applicable Wage Orders at all times relevant hereto, employers are required to compensate non-exempt employees for all worked overtime hours, which is calculated at one and one-half times the regular rate of pay for all hours worked in excess of 8 hours per day and/or 40 hours per week. Employers are also

required to compensate non-exempt employees for all hours worked in excess of 12 hours in any workday at double their regular rate of pay.

Employer, from time to time, failed to pay overtime rates for all overtime hours worked by Aggrieved Employees.

Under Labor Code § 200, “wages” consist of “all amounts for labor performed by employees of every description, whether the amount is fixed or ascertained by the standard of time, task, piece, commission basis, or other method of calculation.” In California, overtime is computed based on the regular rate of pay. The regular rate of pay includes many different kinds of remuneration, including hourly earnings, salary, piece work earnings, commissions, certain bonuses, and the value of meals and lodging.

During the applicable recovery period, Employer has had a practice of adjusting “travel stipends,” including housing, meal and/or incidental payments to its Aggrieved Employees, based on number of hours or shifts they work in a given workweek. Therefore, Employer’s promised “travel stipends” are not intended to reimburse its employees for their travel expenses, but, in fact, are a form of disguised wages.

Despite the fact that the amount of the promised “travel stipends” are based upon, and vary with, the number of weekly hours or shifts worked by its employees, and thus are actually a form of disguised wages, during the applicable recovery period Employer has had a practice of not including the value of those “travel stipends,” including housing, meals and/or incidentals, whether paid in cash or in kind, in its employees’ regular rates of pay, including Claimant’s regular rate of pay, for the purposes of calculating their overtime of pay.

As a result of these violations, Employer is liable for civil penalties pursuant to Labor Code §§ 558 & 2698 *et seq.*

Employer’s Failure to Pay for All Hours Worked, Including Failure to Pay Minimum Wage

In California, an employer is required to compensate its non-exempt employees for all hours worked pursuant to the Applicable Wage Orders and Labor Code §§ 200, 223, 226, 500, 510, 1197 and 1198. Furthermore, under Labor Code §§ 1194, 1194.2, and 1197, it is unlawful for an employer to suffer or permit a California employee to work without paying at least minimum wage for all time worked as required by the Applicable Wage Orders.

During the relevant period, Employer has had a practice of failing to compensate Aggrieved Employees for all their worked hours by not paying for all hours recorded on their time cards, and by engaging in improper rounding and auto-deduct practices with respect to meal breaks, so that when Aggrieved Employees worked during their supposed meal breaks, Employer failed to pay them for such time.

In violation of California law, Employer has intentionally and willfully refused to perform its obligations to compensate Aggrieved Employees for all wages earned and all worked hours. As

a direct result, they have suffered, and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such unpaid wages, incurred expenses and attorneys' fees in seeking to compel Employer to fully perform its obligations under California law.

Employer's conduct described herein violates Labor Code §§ 200, 223, 226, 500, 1194, 1194.2, 1197 and 1198, and the Applicable Wage Orders. Therefore, pursuant to Labor Code §§ 203, 218.5, 226, 558, 1194 and 1194.2, Aggrieved Employees are entitled to recover damages for the nonpayment of wages of all their worked hours in addition to penalties, liquidated damages, reasonable attorneys' fees, expenses, and costs of suit.

As a result of these violations, Employer is liable for civil penalties pursuant to Labor Code § 558 & 2698 *et seq.*

Employer's Failure to Authorize and/or Permit Meal Breaks

During the relevant period, Employer has, from time to time, not authorized and/or permitted Aggrieved Employees from taking lawful meal breaks under California law.

Labor Code § 512 provides, "[a]n employer may not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30 minutes... An employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes..." Labor Code § 226.7(a) provides, "[n]o employer shall require an employee to work during any meal or rest period mandated by an applicable order of the Industrial Welfare Commission."

During the applicable recovery period, Aggrieved Employees regularly worked in excess of 5-hour work periods without being authorized and/or permitted to take a lawful first and/or second meal break, as required by Labor Code §§ 226.7, 512 and the Applicable Wage Orders, due to, among other reasons, work overload and staffing shortages.

Aggrieved Employees are entitled to recover one additional hour of pay at their regular rate of compensation for each workday that a meal break was not authorized and/or permitted by Employer. Aggrieved Employees are also entitled to their costs and reasonable attorneys' fees, according to proof and to interest on all due and unpaid wages at the legal rate of interest.

As a result of these violations, Employer is liable for civil penalties pursuant to Labor Code §§ 558 & 2698 *et seq.*

Employer's Failure to Authorize and/or Permit Rest Breaks

During the relevant period, Employer has, from time to time, not authorized and/or permitted Aggrieved Employees from taking lawful rest breaks under California law.

California Labor Code § 226.7(a) provides, "No employer shall require any employee to work during any meal or rest period mandated by an applicable order of the Industrial Welfare

Commission.” The applicable Wage Orders require that employers authorize or permit non-exempt employees to take a rest break that must, insofar as practicable, be taken in the middle of each work period. The rest break is based on the total hours worked daily and must be at the minimum rate of a net ten consecutive minutes for each four-hour work period, or major fraction thereof.

Pursuant to Labor Code § 226.7, if an employer fails to authorize or permit an employee a rest break in accordance with the applicable Wage Orders, the employer shall pay the employee one additional hour of pay at the employee's regular rate of pay for each workday that the rest break is not provided. The provisions of the applicable Wage Orders state that the rest break is defined as a "net" ten minutes, which means that the rest break begins when the employee reaches an area away from the work area that is appropriate for rest.

During the applicable recovery period, Aggrieved Employees regularly worked in excess of 4-hour work periods, or fractions thereof, without being authorized and/or permitted to take a lawful first, second, third, and/or fourth rest breaks, as required by Labor Code §§ 226.7 and the Applicable Wage Orders, due to, among other reasons, work overload and staffing shortages.

Aggrieved Employees are entitled to recover one additional hour of pay at their regular rate of compensation for each workday that a rest break was not authorized and/or permitted. Aggrieved Employees are also entitled to their costs and reasonable attorneys' fees, according to proof and to interest on all due and unpaid wages at the legal rate of interest.

As a result of these violations, Employer is liable for, among other things, civil penalties pursuant to Labor Code §§ 558 & 2698 *et seq.*

Employer's Failure to Reimburse Necessary Business Expenditures

An employer is required to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. Labor Code §§ 2800 and 2802.

During the applicable recovery period, Employer, from time to time, has failed to reimburse Aggrieved Employees for the cost of using their personal mobile phones for work purposes.

As a result of these violations, Employer is liable for, among other things, civil penalties pursuant to Labor Code §§ 558 & 2698 *et seq.*

Employer's Failure to Pay Wages Due Upon Termination

An employee who is discharged must be paid all of his or her wages, including accrued vacation, immediately at the time of termination. Labor Code §§ 201 and 227.3. Pursuant to Labor Code § 202 (a), “[i]f an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter.”

Labor Code § 203 provides a penalty for the willful failure to pay all wages due to an employee who is discharged or quits. This penalty consists of an amount equal to the sum of the employee's wages at the employee's prior rate of pay, until the unpaid wages are paid, in an amount not to exceed the equivalent of 30 days' pay.

During the applicable recovery period, some Aggrieved Employees have separated from Employer as a result of being discharged or having voluntarily resigned their employment.

Upon information and belief, Employer, from time to time, has intentionally and willfully not paid other Aggrieved Employees all their owed wages at the time of separation in violation of statutes cited above. Claimant does not allege that all separated Aggrieved Employees are owed waiting time penalties or that they are owed the full 30-day penalty under Labor Code § 203, because it is unknown to Claimant at this time whether Employer paid some of the separated Aggrieved Employees all their owed wages upon separation or paid them all their owed wages less than 30 days after their separation.

As a result of these violations, Employer is liable for civil penalties pursuant to Labor Code §§ 558 & 2698 *et seq.*

Employer's Failure to Furnish Accurate Wage Statements

During the relevant period, Employer, from time to time, has not furnished accurate wage statements not only because those wage statements fail to accurately display the amount of wages and premiums owed to Aggrieved Employees but also because such wage statements fail to accurately display the number of hours worked by them.

This claim is brought under Labor Code § 226(a), which sets forth reporting requirements for employers when paying wages, including that every employer shall furnish each of his or her employees an itemized statement in writing showing, among other things, (1) gross wages earned, (2) total hours worked by the employee, (3) net wages earned, (4) all applicable hourly rates in effect during the pay period, (5) the corresponding number of hours worked at each hourly rate, and (6) the name and address of the legal entity that is the employer.

Labor Code § 226(e) provides that an employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorneys' fees.

Employer, from time to time, knowingly and intentionally failed to provide Aggrieved Employees with paycheck deduction statements accurately displaying the information required by Labor Code § 226(a).

As a direct and proximate result of Employer's conduct as alleged above, Aggrieved Employees affected by said violations are each entitled to a civil penalty of \$50 for the initial pay

period and \$100 for each subsequent pay period in which Employer violated the reporting requirements of Labor Code § 226, up to a maximum of \$4,000. Additionally, under Labor Code § 226.3, Employer is subject to a civil penalty in the amount of \$250 per Aggrieved Employee per violation in an initial citation and \$1,000 per Aggrieved Employee for each violation in a subsequent citation, for which it failed to provide them a wage deduction statement or fails to keep their wage statements as required under Labor Code § 226(a).

Aggrieved Employees will seek penalties as permitted under Labor Code § 226 for each violation. Further, Aggrieved Employees will seek recovery of civil penalties under Labor Code §§ 226.3, 558 and 2698, *et seq.*

Without limitation, Claimant, if permitted, will further seek any and all penalties otherwise capable of being collected under Labor Code § 558 and PAGA. This includes each of the following, as is set forth in Labor Code § 2699.5, which states:

The provisions of subdivision (a) of Section 2699.3 apply to any alleged violation of the following provisions: subdivision (k) of Section 96, Sections 98.6, 201, 201.3, 201.5, 201.7, 202, 203, 203.1, 203.5, 204, 204a, 204b, 204.1, 204.2, 205, 205.5, 206, 206.5, 208, 209, and 212, subdivision (d) of Section 213, Sections 221, 222, 222.5, 223, and 224, subdivision (a) of Section 226, Sections 226.7, 227, 227.3, 230, 230.1, 230.2, 230.3, 230.4, 230.7, 230.8, and 231, subdivision (c) of Section 232, subdivision (c) of Section 232.5, Sections 233, 234, 351, 353, and 403, subdivision (b) of Section 404, Sections 432.2, 432.5, 432.7, 435, 450, 510, 511, 512, 513, 551, 552, 601, 602, 603, 604, 750, 751.8, 800, 850, 851, 851.5, 852, 921, 922, 923, 970, 973, 976, 1021, 1021.5, 1025, 1026, 1101, 1102, 1102.5, and 1153, subdivisions (c) and (d) of Section 1174, Sections 1194, 1197, 1197.1, 1197.5, and 1198, subdivision (b) of Section 1198.3, Sections 1199, 1199.5, 1290, 1292, 1293, 1293.1, 1294, 1294.1, 1294.5, 1296, 1297, 1298, 1301, 1308, 1308.1, 1308.7, 1309, 1309.5, 1391, 1391.1, 1391.2, 1392, 1683, and 1695, subdivision (a) of Section 1695.5, Sections 1695.55, 1695.6, 1695.7, 1695.8, 1695.9, 1696, 1696.5, 1696.6, 1697.1, 1700.25, 1700.26, 1700.31, 1700.32, 1700.40, and 1700.47, paragraphs (1), (2), and (3) of subdivision (a) of, and subdivision (e) of, Section 1701.4, subdivision (a) of Section 1701.5, Sections 1701.8, 1701.10, 1701.12, 1735, 1771, 1774, 1776, 1777.5, 1811, 1815, 2651, and 2673, subdivision (a) of Section 2673.1, Sections 2695.2, 2800, 2801, 2802, 2806, and 2810, subdivision (b) of Section 2929, and Sections 3095, 6310, 6311, and 6399.7.

Conclusion

Claimant respectfully requests that the agency investigate the above allegations and hereby provide notice of the allegations pursuant to PAGA's provisions. Alternatively, Claimant requests that the agency inform her if it does not intend to investigate these violations so that she may pursue her claims as a representative action in civil court on behalf of herself and other Aggrieved Employees.

Respectfully Submitted,

SHAKOURI LAW FIRM

Ashkan Shakouri

Ashkan Shakouri

Attorney for Claimant and all other
Aggrieved Employees

EXHIBIT 2

SHAKOURI LAW FIRM
Employment & Civil Litigation

11601 Wilshire Blvd, Fifth Floor
Los Angeles, CA 90025
Tel: (310) 575-1827
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ash@shakourilawfirm.com
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April 27, 2023

Via Online Filing:

California Labor & Workforce
Development Agency

800 Capitol Mall, Suite 5000 (MIC-55)
Sacramento, CA 95814

455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

Via Certified U.S. Mail:

LeaderStat LLC
c/o
Registered Agent Solutions, Inc.
720 14th Street
Sacramento, CA

LeaderStat LLC
1322 B Manning Pkwy
Powell, OH 43065

Re: *PAGA Notice Pursuant to California Labor Code § 2699*

Claimant: Amy Williams
Employer: LeaderStat LLC

Dear Sir or Madam:

Claimant Amy Williams ("Claimant") has retained Ashkan Shakouri of Shakouri Law Firm to represent her, and all other aggrieved employees, for wage and hour claims against her former employer LeaderStat LLC ("LeaderStat").

During the relevant period LeaderStat has violated, and/or has caused to be violated, several Labor Code provisions and is therefore liable for civil penalties under Labor Code § 2698, *et seq.* We request that your agency investigate the claims alleged herein or permit Claimant to

seek civil penalties under the Private Attorney General Act (“PAGA”) on behalf of the Labor and Workforce and development Agency (“LWDA”) and the State of California in a representative action. This letter will serve as notice of these allegations pursuant to Labor Code § 2699.3.

Claimant is bringing these PAGA claims on behalf of herself and all others who worked or work for LeaderStat inside California and were subject to the violations alleged herein during the applicable recovery period (“Aggrieved Employees”). Aggrieved Employees includes Claimant.

Claimant personally suffered some of the Labor Code violations committed by LeaderStat, while other violations, though not personally suffered by her, were suffered, and continue to be suffered, by other Aggrieved Employees. As held in *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal.App.5th 745, 758, “[b]y the plain language of the statute, an aggrieved employee need only suffer one of the Labor Code violations alleged against his or her employer to be able to bring a PAGA claim on behalf of himself or herself and current or former employees who suffered any Labor Code violation at the hands of the employer. Claimant need not have actually suffered all of the Labor Code violations that he alleges to have taken place for purposes of seeking PAGA penalties.” (citation omitted). Accordingly, Claimant plans to pursue penalties for all the violations committed by LeaderStat against the Aggrieved Employees, including those she did not personally suffer.

Claimant’s Employment with LeaderStat

LeaderStat hired, paid and assigned Claimant to work a travel assignment as a non-exempt, hourly-paid travel nurse at a skilled nursing facility in Corona Del Mar, California, from on or about August 8, 2020 until on or about September 25, 2020. LeaderStat then assigned Claimant to work another travel assignment as a non-exempt, hourly-paid travel nurse at a skilled nursing facility in Fremont, California, from on or about December 7, 2020 until on or about January 9, 2021. Claimant no longer works for LeaderStat.

LeaderStat’s Failure to Pay All Overtime or Double Time Owed

LeaderStat, from time to time, failed to pay overtime rates for all overtime hours worked by its non-exempt employees. For instance, Claimant’s time card shows that she worked 12.75 hours on November 1, 2020, 12 hours on November 4, 2020, and another 12 hours on November 5, 2020. However, Claimant’s corresponding paystub for that week does not show that LeaderStat paid her any overtime or double time in violation of Labor Code § 510(a), requiring payment of overtime for time worked in excess of 8 hours a day and payment of double time for time worked in excess of 12 hours a day.

Under Labor Code § 200, “wages” consist of “all amounts for labor performed by employees of every description, whether the amount is fixed or ascertained by the standard of time, task, piece, commission basis, or other method of calculation.” In California, overtime is computed based on the regular rate of pay. The regular rate of pay includes many different kinds of remuneration, including hourly earnings, salary, piece work earnings, commissions, certain bonuses, and the value of meals and lodging.

During the applicable recovery period, LeaderStat has had a practice of adjusting “travel stipends,” including housing, meal and/or incidental payments to its non-exempt employees, based on number of hours or shifts they work in a given workweek.

LeaderStat’s promised “travel stipends” are not intended to reimburse its employees for their travel expenses, but, in fact, are a form of disguised wages.

Despite the fact that the amount of the promised “travel stipends” are based upon, and vary with, the number of weekly hours or shifts worked by its employees, and thus are actually a form of disguised wages, during the applicable recovery period LeaderStat has had a practice of not including the value of those “travel stipends,” including housing, meals and/or incidentals, whether paid in cash or in kind, in its employees’ regular rates of pay, including Claimant’s regular rate of pay, for the purposes of calculating their overtime of pay.

As a result of these violations, LeaderStat is liable for civil penalties pursuant to Labor Code §§ 558 & 2698 *et seq.*

LeaderStat’s Failure to Authorize or Permit Meal Breaks

During the relevant period, LeaderStat has, from time to time, not authorized and/or permitted Aggrieved Employees from taking lawful meal breaks under California law.

Labor Code §512 provides, “[a]n employer may not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30 minutes...” Labor Code §226.7(a) provides, “[n]o employer shall require an employee to work during any meal or rest period mandated by an applicable order of the Industrial Welfare Commission.”

During the applicable recovery period, Aggrieved Employees regularly worked in excess of 5-hour work periods without being authorize and/or permitted to take a lawful first and/or second meal break, as required by Labor Code §§ 226.7, 512 and the applicable wage orders. As a result of violations of Labor Code §§ 226.7 and 512 and the applicable wage orders, LeaderStat is liable for civil penalties pursuant to Labor Code §§ 558 and 2698 *et seq.*

As a result of these violations, LeaderStat is liable for civil penalties pursuant to Labor Code §§ 558 & 2698 *et seq.*

LeaderStat’s Failure to Authorize and/or Permit Rest Breaks

During the relevant period, LeaderStat has, from time to time, not authorized and/or permitted Aggrieved Employees from taking lawful rest breaks under California law.

California Labor Code § 226.7(a) provides, “No employer shall require any employee to work during any meal or rest period mandated by an applicable order of the Industrial Welfare Commission.” The applicable Wage Orders require that employers authorize or permit non-exempt employees to take a rest break that must, insofar as practicable, be taken in the middle of each

work period. The rest break is based on the total hours worked daily and must be at the minimum rate of a net ten consecutive minutes for each four-hour work period, or major fraction thereof.

Pursuant to Labor Code § 226.7, if an employer fails to authorize or permit an employee a rest break in accordance with the applicable Wage Orders, the employer shall pay the employee one additional hour of pay at the employee's regular rate of pay for each workday that the rest break is not provided. The provisions of the applicable Wage Orders state that the rest break is defined as a "net" ten minutes, which means that the rest break begins when the employee reaches an area away from the work area that is appropriate for rest.

During the applicable recovery period, LeaderStat, from time to time, did not authorize and/or permit Aggrieved Employees to take lawful rest breaks and failed to pay premium wages mandated by Labor Code § 226.7(b).

Aggrieved Employees are entitled to recover one additional hour of pay at their regular rate of compensation for each workday that a rest break was not authorized and/or permitted by LeaderStat. Aggrieved Employees are also entitled to their costs and reasonable attorneys' fees, according to proof and to interest on all due and unpaid wages at the legal rate of interest.

As a result of these violations, LeaderStat is liable for, among other things, civil penalties pursuant to Labor Code §§ 558 & 2698 *et seq.*

LeaderStat's Failure to Reimburse Necessary Business Expenditures

An employer is required to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. Labor Code §§ 2800 and 2802.

During the applicable recovery period, LeaderStat has, from time to time, failed to reimburse Aggrieved Employees for the cost of using their personal mobile phones for work purposes.

As a result of these violations, LeaderStat is liable for, among other things, civil penalties pursuant to Labor Code §§ 558 & 2698 *et seq.*

LeaderStat's Failure to Pay Wages Due Upon Termination

An employee who is discharged must be paid all of his or her wages, including accrued vacation, immediately at the time of termination. Labor Code §§ 201 and 227.3. Pursuant to Labor Code § 202 (a), "[i]f an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter."

Labor Code § 203 provides a penalty for the willful failure to pay all wages due to an employee who is discharged or quits. This penalty consists of an amount equal to the sum of the employee's wages at the employee's prior rate of pay, until the unpaid wages are paid, in an amount not to exceed the equivalent of 30 days' pay.

During the applicable recovery period, Claimant and some Aggrieved Employees have separated from LeaderStat as a result of being discharged or having voluntarily resigned their employment.

While working for LeaderStat, Claimant was entitled to compensation for the violations set forth herein, but LeaderStat intentionally and willfully failed to pay all wages due to her at the time of separation in violation of statutes cited above.

Upon information and belief, LeaderStat, from time to time, also intentionally and willfully did not pay other Aggrieved Employees all their owed wages at the time of separation in violation of statutes cited above. Claimant does not allege that all separated Aggrieved Employees are owed waiting time penalties or that they are owed the full 30-day penalty under Labor Code § 203, because it is unknown to Claimant at this time whether LeaderStat paid some of the separated Aggrieved Employees all their owed wages upon separation or paid them all their owed wages less than 30 days after their separation.

As a result of these violations, LeaderStat is liable for civil penalties pursuant to Labor Code §§ 558 & 2698 *et seq.*

LeaderStat's Failure to Furnish Accurate Wage Statements

During the relevant period, LeaderStat, from time to time, has not furnished accurate wage statements not only because those wage statements fail to accurately display the amount of wages and premiums owed to Aggrieved Employees but also because such wage statements fail to accurately display the number of hours worked by them.

This claim is brought under Labor Code § 226(a), which sets forth reporting requirements for employers when paying wages, including that every employer shall furnish each of his or her employees an itemized statement in writing showing, among other things, (1) gross wages earned, (2) total hours worked by the employee, (3) net wages earned, (4) all applicable hourly rates in effect during the pay period, (5) the corresponding number of hours worked at each hourly rate, and (6) the name and address of the legal entity that is the employer.

Labor Code § 226(e) provides that an employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorneys' fees.

LeaderStat, from time to time, knowingly and intentionally failed to provide Aggrieved Employees with paycheck deduction statements accurately displaying the information required by Labor Code § 226(a).

As a direct and proximate result of LeaderStat's conduct as alleged above, Aggrieved Employees affected by said violations are each entitled to a civil penalty of \$50 for the initial pay period and \$100 for each subsequent pay period in which LeaderStat violated the reporting requirements of Labor Code § 226, up to a maximum of \$4,000. Additionally, under Labor Code § 226.3, LeaderStat is subject to a civil penalty in the amount of \$250 per Aggrieved Employee per violation in an initial citation and \$1,000 per Aggrieved Employee for each violation in a subsequent citation, for which it failed to provide them a wage deduction statement or fails to keep their wage statements as required under Labor Code § 226(a).

Aggrieved Employees will seek penalties as permitted under Labor Code § 226 for each violation. Further, Aggrieved Employees will seek recovery of civil penalties under Labor Code §§ 226.3, 558 and 2698, *et seq.*

Without limitation, Claimant, if permitted, will further seek any and all penalties otherwise capable of being collected under Labor Code § 558 and PAGA. This includes each of the following, as is set forth in Labor Code § 2699.5, which states:

The provisions of subdivision (a) of Section 2699.3 apply to any alleged violation of the following provisions: subdivision (k) of Section 96, Sections 98.6, 201, 201.3, 201.5, 201.7, 202, 203, 203.1, 203.5, 204, 204a, 204b, 204.1, 204.2, 205, 205.5, 206, 206.5, 208, 209, and 212, subdivision (d) of Section 213, Sections 221, 222, 222.5, 223, and 224, subdivision (a) of Section 226, Sections 226.7, 227, 227.3, 230, 230.1, 230.2, 230.3, 230.4, 230.7, 230.8, and 231, subdivision (c) of Section 232, subdivision (c) of Section 232.5, Sections 233, 234, 351, 353, and 403, subdivision (b) of Section 404, Sections 432.2, 432.5, 432.7, 435, 450, 510, 511, 512, 513, 551, 552, 601, 602, 603, 604, 750, 751.8, 800, 850, 851, 851.5, 852, 921, 922, 923, 970, 973, 976, 1021, 1021.5, 1025, 1026, 1101, 1102, 1102.5, and 1153, subdivisions (c) and (d) of Section 1174, Sections 1194, 1197, 1197.1, 1197.5, and 1198, subdivision (b) of Section 1198.3, Sections 1199, 1199.5, 1290, 1292, 1293, 1293.1, 1294, 1294.1, 1294.5, 1296, 1297, 1298, 1301, 1308, 1308.1, 1308.7, 1309, 1309.5, 1391, 1391.1, 1391.2, 1392, 1683, and 1695, subdivision (a) of Section 1695.5, Sections 1695.55, 1695.6, 1695.7, 1695.8, 1695.9, 1696, 1696.5, 1696.6, 1697.1, 1700.25, 1700.26, 1700.31, 1700.32, 1700.40, and 1700.47, paragraphs (1), (2), and (3) of subdivision (a) of, and subdivision (e) of, Section 1701.4, subdivision (a) of Section 1701.5, Sections 1701.8, 1701.10, 1701.12, 1735, 1771, 1774, 1776, 1777.5, 1811, 1815, 2651, and 2673, subdivision (a) of Section 2673.1, Sections 2695.2, 2800, 2801, 2802, 2806, and 2810, subdivision (b) of Section 2929, and Sections 3095, 6310, 6311, and 6399.7.

Conclusion

Claimant respectfully requests that the agency investigate the above allegations and hereby provide notice of the allegations pursuant to PAGA's provisions. Alternatively, Claimant requests that the agency inform her if it does not intend to investigate these violations so that she may pursue her claims as a representative action in civil court on behalf of herself and other Aggrieved Employees.

Respectfully Submitted,

SHAKOURI LAW FIRM

Ashkan Shakouri
Ashkan Shakouri
Attorney for Claimant and all other
Aggrieved Employees

EXHIBIT B

 Keyona Turner, et al. v. LeaderStat LLC
Superior Court of the State of California for the County of Contra Costa
(Case No. C24-01225)

NOTICE OF CLASS ACTION SETTLEMENT (“NOTICE”)

IF YOU ARE A CURRENT OR FORMER EMPLOYEE OF LEADERSTAT LLC (“DEFENDANT”) WHO WORKED IN THE STATE OF CALIFORNIA YOU MAY BE ABLE TO COLLECT MONEY FROM A CLASS ACTION SETTLEMENT.

The Contra Costa County Superior Court (“Court”) authorized this Notice to be sent by Phoenix (“Settlement Administrator”). This is not an advertisement. This is not a solicitation from a lawyer.

PLEASE KEEP THE SETTLEMENT ADMINISTRATOR INFORMED OF YOUR ADDRESS IF YOU MOVE AFTER RECEIVING THIS NOTICE.

«BarcodeString»
SIMID «SIMID»

ATTN: «FirstName» «LastName»
«Address1» «Address2»
«City» «Abbrev» «Zip»

YOU ARE ESTIMATED TO RECEIVE APPROXIMATELY \$«MERGED_EstSettAmnt_CALC» (LESS WITHHOLDING) THROUGH THIS CLASS ACTION SETTLEMENT AND APPROXIMATELY \$ AS YOUR AGGRIEVED EMPLOYEE PAYMENT

- Keyona Turner and Amy Williams (“Named Plaintiffs”) have sued LeaderStat LLC (“Defendant”) on behalf of themselves and all other similarly situated employees.
- The parties to the lawsuit have reached a tentative settlement, and the Court has preliminarily approved it.
- The settlement resolves the lawsuit brought by the Named Plaintiffs.
- Your legal rights are affected by whether you act or do not act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT

You Can DO NOTHING

You will receive a payment from the Settlement. If you do nothing, you continue your participation in this lawsuit, and your rights will be impacted by the outcome of this case. You will receive a settlement payment; however, you will give up your right to sue Defendant separately for the same legal claims released by the Settlement made in the lawsuit. The currently estimated amount of your settlement payment is shown above. To receive your settlement payment, all you need to do is keep the Settlement Administrator informed of your current mailing address. Once the Court grants final approval of the Settlement, the Settlement Administrator will make a final calculation of the amount of your settlement payment and mail your check to the address on file for you. Defendant has approved this Settlement and will not retaliate against you for participating in the Settlement.

You Can ASK TO BE EXCLUDED FROM THE CLASS SETTLEMENT (Deadline: , 2024)	If you ask to be excluded from the class settlement, you will get no payment from the class settlement amount, and you will keep any rights to sue Defendant separately for the same legal claims that otherwise would have been released by the Settlement made in this lawsuit, subject to whatever defenses there may be to those claims, other than the PAGA claim. You may not request exclusion from the settlement of the PAGA claim. Important: You cannot ask to be excluded <u>and</u> still get a settlement payment.
You Can OBJECT TO THE SETTLEMENT	If you do not like the class settlement, you can send a written objection to the Settlement Administrator by the deadline, or you can appear at the Final Approval Hearing to make your objection in person. If your objection is overruled, you will still be bound by the terms of the Settlement and will receive a settlement payment. However, you may not object to the settlement of the PAGA claim. Important: If you object to the Settlement, you cannot also ask to be excluded.

YOUR RIGHTS AND OPTIONS—AND THE DEADLINES TO EXERCISE THEM—ARE EXPLAINED IN THIS NOTICE.

The Court is in charge of this lawsuit and still has to decide whether to approve the Settlement. Payments will be made if the Court approves the settlement and after appeals, if any, are resolved. **Please be patient.**

1. Why Should You Read This Notice?

You should read this Notice because you may be entitled to money from a class action settlement.

2. What Is This Lawsuit About?

In the lawsuit, the Named Plaintiffs have asserted class-wide claims for violations of the California Labor Code for (1) failure to pay all overtime wages, (2) meal period violations, (3) rest period violations, (4) failure to reimburse business expenses, (5) wage statement violations, and (6) untimely payment of final wages. The Named Plaintiffs have also asserted (7) a class-wide claim for unfair competition and (8) a representative action claim under the California Labor Code Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”), predicated on those alleged violations of the California Labor Code. In particular, Plaintiff Williams filed a class action lawsuit against Defendant and Plaintiff Tuner filed a PAGA-only Action against Defendant (collectively, “Actions”). Both of these Actions have been consolidated into one lawsuit for purposes of obtaining court approval of the Settlement.

Defendant denies the allegations in the lawsuit. Defendant asserts it is in compliance with all legal requirements and is resolving this action in order to avoid the risk and costs of further legal proceedings.

3. Why Is This a Class Action?

This lawsuit is a class action. In a class action, one or more persons, called class representatives (in this case, Keyona Turner and Amy Williams), sue on behalf of people who allegedly have similar claims. All these people are a class or class members. One case resolves the issues for all class members, except for those who exclude themselves from the class. The Contra Costa County Superior Court is in charge of the case. The lawsuit is known

4. Why Is There a Settlement?

The Court did not decide in favor of Named Plaintiffs or Defendant. Named Plaintiffs think they could have won at trial. Defendant thinks that it would have won at trial. But there was no trial. Instead, the parties agreed to a settlement. That way, they avoid the risks and cost of litigation, and the individuals potentially affected will get compensation. The class representatives and the attorneys think the Settlement is best for Class Members.

5. How Do I Know If I Am Part of the Settlement?

The Court has decided that the following individuals are Class Members:

All of Defendant's current and former non-exempt employees who were assigned to work at any facility inside California at any time during the time period from April 27, 2019, through August 19, 2024 (the "Settlement Period"), but excluding any individual who has filed their own separate action as a named Plaintiff (other than Amy Williams or Keyona Turner), individually and/or as a putative class or representative action, alleging the same or similar claims being released by the settlement and/or who has previously released claims released through this Settlement Agreement.

6. What Does the Settlement Provide?

The proposed Settlement provides for a cash payment by Defendant of \$250,000.00 to fully and finally resolve all claims in the lawsuit (referred to as the "Settlement Fund"). The total amount to be distributed to Class Members who can be located and who do not exclude themselves from the Settlement will be the value of the Settlement Fund after deducting the following (the "Net Settlement Fund"): (a) settlement administration costs presently budgeted to be up to \$4,000; (b) Enhancement Awards in the amount of \$10,000 to each of the Named Plaintiffs for their work and efforts in prosecuting this case, providing a general release, and for undertaking the risks of a costs award against them (in the event the outcome of this lawsuit was not favorable); (c) Class Counsel's attorneys' fees not to exceed \$83,333.33; (d) Class Counsel's actual litigation costs and expenses as supported by declaration not to exceed \$20,000; and (f) PAGA Amount of \$10,000 for alleged civil penalties owed pursuant to the PAGA. **Class Counsel's attorneys' fees and costs and Named Plaintiffs' Enhancement Awards remain subject to Court approval.**

By statute, the Labor and Workforce Development Agency will receive 75% of the PAGA Amount —*i.e.* the amount of \$7,500. Each Aggrieved Employee (*i.e.*, Class Member who was assigned to work at any facility inside California at any time from February 12, 2023 through August 19, 2024) will receive a portion of the remaining 25% of the PAGA Amount ("Aggrieved Employee Payment").

No portion of the Net Settlement Fund will be returned to Defendant under any circumstances. Instead, any unclaimed settlement proceeds will be transferred to the California State Controller's Office—Office of Unclaimed Property Fund under the unclaimed property laws in the name of the Class Member.

7. How Much Will My Payment Be?

Your currently estimated share of the Net Settlement Fund is set forth on the first page above.

This class payment amount is based on the number of Workweeks during which you earned wages for actual work performed in California during the Settlement Period, as compared to the total number of Workweeks during

which Class Members as a whole earned wages for actual work performed in California during the Settlement Period during the Settlement Period. The Aggrieved Employee Payment amount, if any, will be calculated based on the number of Pay Periods during which each Aggrieved Employee was issued one or more wage statements reflecting the payment of Earnings during the PAGA Period (“PAGA Pay Periods”). Aggrieved Employees will receive their pro rata share of the Aggrieved Employee Payment of the PAGA Amount based on the number of PAGA Pay Periods during the PAGA Period.

Based on Defendant’s records, the number of Workweeks you earned wages for actual work performed in California during the Settlement Period is <<Workweeks>> and the number of PAGA Pay Periods during the PAGA Period is [REDACTED]

If this information appears correct, you do not need to do anything further to receive your settlement payment. If you disagree with the number of Workweeks or PAGA Pay Periods identified, see below (Question 9).

8. How Do I Get a Payment?

To qualify for payment, you need not do anything, except notify the Settlement Administrator of your change of address in the event you move from your current residence. Following the Effective Date of final approval of the Settlement, Defendant will submit the Settlement Fund to the Settlement Administrator. The Settlement Administrator will mail you a check after Defendant submits payment of the Settlement Fund to the Settlement Administrator. If you lose or misplace your settlement check before cashing it, the Settlement Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

9. What If I Believe the Information is Inaccurate?

If you believe the number of Workweeks reflecting the payment of Earnings credited to you is inaccurate, you may dispute it by sending a letter to Phoenix, [INSERT ADDRESS], no later than [RESPONSE DEADLINE]. Be sure to include: (i) your full name, current mailing address, telephone number, signature, and the last four digits of your Social Security number; (ii) the case name (*Turner, et al. v. LeaderStat LLC*) and case number (Case No. C24-01225); and (iii) a statement indicating that you seek to dispute the number of Workweeks credited to you, the time period(s) you were issued wage statements reflecting the payment of Earnings by Defendant while working in California during the Settlement Period, and the number of Workweeks that you contend should be credited to you. Also attach a copy of any documentation you have to support your dispute.

10. What Am I Giving Up to Get a Class Settlement Payment?

Unless you request to be excluded from the class settlement, you will be a Participating Class Member.

If you are a Participating Class Member, you will be giving up or “releasing” Defendant and the Released Parties from the following for the period of April 27, 2019 through August 19, 2024 (the “**Class Release Period**”):

Any and all allegations, claims, debts, rights, demands, charges, complaints, actions, causes of action, guarantees, costs, expenses, attorneys’ fees, economic damages, non-economic damages, restitution, statutory penalties, liquidated damages, punitive damages, interest, obligations, liabilities, or other monies and remedies, of any and every kind, contingent or accrued, that have been or could have reasonably been alleged or asserted in the Operative Complaint in the Action, based on the facts, theories and/or statutory violations alleged therein during the

Settlement Period, including claims for or based on any type of unpaid or underpaid wages; failure to provide, authorize or permit compliant meal and rest periods or to pay premiums at the correct rate or at all based thereon; failure to pay any wages timely or at all during and/or upon termination of employment; failure to provide accurate itemized wage statements; failure to reimburse any business expenses; derivative violations of the California Unfair Competition Law; and failure to pay all wages in compliance with the Fair Labor Standards Act, or otherwise based in whole or in part on any direct or imputed violation of any federal, state, local or administrative constitution, charter, law, rule, regulation or ordinance based on the facts, theories and/or statutory violations alleged in the Operative Complaint.

11. What is the PAGA Release?

You may not opt-out, or request to be excluded, from the settlement of the PAGA claim, nor may you object to the settlement of the PAGA claim.

If you are an Aggrieved Employee, you will be giving up or “releasing” Defendant and the Released Parties from the following:

All claims for any civil penalties recoverable under the California Labor Code, including PAGA, as well as costs and attorneys’ fees related thereto, predicated on any violations alleged or asserted in the Actions and/or the PAGA Notices or any other related notices sent to the LWDA referenced in the Actions.

12. How Do I Exclude Myself from the Settlement?

To exclude yourself from the class settlement (also referred to as electing to “opt-out”), you must mail a letter to the Settlement Administrator that includes: (i) your full name, current mailing address, signature, and the last four digits of your Social Security number; (ii) the case name (*Turner, et al. v. LeaderStat LLC*) and case number (Case No. C24-01225); and (iii) a statement that you seek to be excluded from the Settlement Agreement which is the same or substantially similar to the following language: “I elect to opt-out of the *Turner, et al. v. LeaderStat LLC, et al.* class action settlement. I understand that by doing so, I will not participate in the Settlement, and will not receive any money from it.” You must mail your exclusion letter postmarked no later than [RESPONSE DEADLINE], to the Settlement Administrator at [INSERT ADDRESS].

If you submit a timely and valid “opt-out” request, you will no longer be a member of the class and you will not receive any money from the class settlement, or be able to object to the Settlement, but you will not be legally bound by anything that happens regarding the class action portion of this lawsuit. You will keep any rights to sue (or continue to sue) Defendant in the future for the same class claims made in this lawsuit, at your own expense.

You may not opt-out, or request to be excluded, from the settlement of the PAGA claim. Thus, even if you submit a timely and valid “opt-out” request, you will still receive a portion of the Aggrieved Employee Payment, if eligible, and will be deemed to have released the PAGA claims.

13. If I Do Not Exclude Myself, Can I Sue Defendant or Get Money from the Settlement?

If you do not exclude yourself from the class settlement, you cannot sue Defendant for any of the claims that this Settlement releases and resolves. If you have a pending lawsuit against Defendant, speak to your lawyer in that case immediately. You may have to exclude yourself from this case to continue on with your own lawsuit.

Remember, the exclusion deadline is [RESPONSE DEADLINE].

Again, if you exclude yourself from this Settlement, you cannot get money from this Settlement other than a portion of the Aggrieved Employee Payment if you are an Aggrieved Employee.

14. How Do I Tell the Court that I Do Not Believe that the Settlement is Fair?

If you are a Class Member and you do not exclude yourself from the class settlement, you can object to the class settlement if you believe that the Settlement is unfair or inadequate. You can give reasons why you think the Court should not approve the class settlement. If you object and follow the procedures set out in this section, your objection will be considered.

If you decide to object to the proposed Settlement, you can do so in writing. All objections must be signed by you and must include: (i) your full name, current mailing address, signature, and last four digits of your Social Security number; (ii) the case name and number of the Action; (iii) a statement indicating the legal and factual grounds for your objection; (iv) a statement indicating whether you are represented by counsel and identifying any such counsel; and (v) a statement indicating whether you intend to appear for and wish to be heard at the Final Approval Hearing.

You must mail your written objection postmarked no later than [RESPONSE DEADLINE], to the Settlement Administrator at [ADDRESS]. If you do not submit a written objection, you may still object by appearing at the Final Approval Hearing, which is set for [HEARING DATE], and stating your objection in person, provided that you did not exclude yourself from the Settlement. If you do not follow these procedures, you will be deemed not to have objected. (see section 18 below for details as to where this Hearing will take place).

There is no right to object to the settlement of the PAGA claim.

15. What is the Difference Between Objecting and Excluding?

Objecting is simply telling the Court that you don't like something about the class settlement. You can object only if you stay in the class. Excluding yourself, on the other hand, is telling the Court that you don't want to be part of the class. If you exclude yourself, you have no basis to object because the case no longer affects you and you will not receive settlement benefits under the class settlement if it is approved by the Court. However, if you file an objection, you will still receive settlement benefits under the class settlement if it is approved by the Court.

16. Do I Have a Lawyer in this Case?

In connection with the Preliminary Approval of the Settlement, the Court decided that the law firm of Shakouri Law Firm, which represents the Named Plaintiffs, are also qualified to represent you and all Class Members. You will not be charged for these lawyers. This law firm is referred to as "Class Counsel." If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How Will the Attorneys for the Class and the Class Representative Be Paid?

The attorneys for the Named Plaintiffs and the class will be paid from the Settlement Fund. Class Counsel will ask the Court to approve up to \$83,333.33 in attorneys' fees and for actual litigation costs incurred up to \$20,000 but subject to proof, the actual amount of which will be determined by the Court at the Final Approval Hearing (see section 18 below for details as to when this Hearing will take place). Class Members (like you) do not have to pay the fees and costs of Class Counsel. **If you elect, however, to hire your own lawyer, you have to make**

your own arrangements to compensate your lawyer.

If approved by the Court, the Named Plaintiffs will each receive an Enhancement Award in an amount up to \$10,000.00 for their work and efforts in prosecuting this case, providing a general release, and for undertaking the risks of costs (in the event the outcome of this lawsuit was not favorable). The Enhancement Awards will be paid from the Settlement Fund.

18. Notice of Hearing on Final Approval and Objections to Class Action Settlement.

The Court has preliminarily approved the Settlement and will hold a Final Approval Hearing to decide whether to give final approval to the Settlement. This hearing will be held before the Honorable Charles S. Treat on _____, at _____, in Department 12 of the Superior Court of California for the County of Contra Costa, located at 725 Court Street, Martinez, California 94553, to determine whether the proposed Settlement is fair, reasonable, and adequate, and whether it should be finally approved by the Court. If there are objections, the Court will consider them. After the Hearing, the Court will decide whether to approve the Settlement. We do not know how long this decision will take. The Final Approval Hearing may be continued without further notice. The Court may adjourn or continue the hearing from time to time, without further notification, as the Court may direct. You may also be able to attend the final approval via Zoom or other remote means by using the following link: <https://www.cc-courts.org/calendars/court-calendars.aspx>

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

Once final approval is granted by the Court, the Court will enter judgment against Defendant, and all Class Members who have not requested exclusion from the class will be deemed to have waived the Released Claims set forth above.

19. How Do I Get More Information?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by contacting Class Counsel or by going to the Administrator's website at _____(url)_____.

20. What is the Contact Information for the Court and Class Counsel?

The contact information for Class Counsel are below:

SHAKOURI LAW FIRM
Ashkan Shakouri
Sharon Lin
401 Wilshire Blvd., 12th Floor
Santa Monica, CA 90401
Telephone: (424) 252-4711
ash@shakourilawfirm.com
sharon@shakourilawfirm.com

WHAT IF I HAVE QUESTIONS?

Page 7 of 7

QUESTIONS? CALL TOLL FREE 1-800-_____

EXHIBIT B

If you have any questions about the settlement, you may contact the Settlement Administrator:

Turner, et al. v. LeaderStat LLC
c/o [insert]

Toll-Free Phone Number: [insert]

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE COURT CLERK FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS.

PLEASE DO NOT CONTACT DEFENDANT, ITS MANAGERS, OR ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS.