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Attorneys for Plaintiffs
WILLIAM MORENO, LIZBETH GONZALEZ
VELAZQUEZ, and SARAH SANDOVAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE

WILLIAM MORENO, LIZBETH GONZALEZ
VELAZQUEZ, SARAH SANDOVAL,
MUSTAFA ALKARKHI, JACOB TERRY, and
RALPH HERNANDEZ, individually, and on
behalf of all others similarly situated,

Plaintiffs,

v.

ABC PHONES OF NORTH CAROLINA, INC.
DBA VICTRA, a North Carolina corporation;
and DOES 1 through 10, inclusive,

Defendants.

Case No.: 23STCV31717
Related Case No.: 24STCV09415
Related Case No.: 24STCV12066

*[Assigned for All Purposes to the Hon. Elihu
M. Berle, Dept. 6]*

**DECLARATION OF JOHN G. YSLAS IN
SUPPORT OF PLAINTIFFS' MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT**

Preliminary Approval Hearing:

Date: April 22, 2026
Time: 9:00 a.m.
Dept: 6

Action Filed: December 28, 2023

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1. I am an attorney at law licensed to practice before all of the courts of the State of California. I am a senior partner at Wilshire Law Firm, PLC (“WLF”), counsel for Plaintiffs William Moreno, Lizbeth Gonzalez Velazquez, and Sarah Sandoval in this matter. Plaintiffs William Moreno, Lizbeth Gonzalez Velazquez, Sarah Sandoval, Mustafa Alkarkhi, Jacob Terry, and Ralph Hernandez’s (collectively “Plaintiffs”) are represented by Wilshire Law Firm, PLC; Bokhour Law Group, P.C.; Falakassa Law, PC; Lavi & Ebrahimian, LLP; and Messrelian Law, Inc. I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein.

Procedural History

4. On February 9, 2024, Plaintiffs William Moreno and Lizbeth Gonzalez Velazquez provided written notice to the LWDA and Defendant of the specific provisions the Labor Code alleged to have been violated, including the facts and theories in support. A true and correct copy of Plaintiffs William Moreno and Lizbeth Gonzalez Velazquez's PAGA claim notice is attached hereto as **Exhibit 1**. On February 16, 2024, Plaintiff Jacob Terry provided written notice to the LWDA and Defendant of the specific provisions the Labor Code alleged to have been violated, including the facts and theories in support. A true and correct copy of Plaintiff Jacob Terry's PAGA

1 claim notice is attached hereto as **Exhibit 2**. On February 20, 2024, Plaintiff Mustafa Alkarkhi
2 provided written notice to the LWDA and Defendant of the specific provisions the Labor Code
3 alleged to have been violated, including the facts and theories in support. A true and correct copy
4 of Plaintiff Mustafa Alkarkhi's PAGA claim notice is attached hereto as **Exhibit 3**. The LWDA
5 did not notify Plaintiffs William Moreno, Lizbeth Gonzalez Velazquez, Jacob Terry, or Mustafa
6 Alkarkhi that it intended to investigate within 65 days of their respective PAGA claim notices.

7 5. On April 15, 2024, Plaintiffs William Moreno and Lizbeth Gonzalez Velazquez
8 filed a representative action against Defendant for civil penalties under PAGA in the Superior
9 Court of California, County of Los Angeles, Case No. 23STCV09415. On April 25, 2024, Plaintiff
10 Mustafa Alkarkhi filed a representative action against Defendant for civil penalties under PAGA
11 in the Superior Court of California, County of Riverside, Case No. CVRI2402256. On May 14,
12 2024, Plaintiff Jacob Terry filed a representative action against Defendant for civil penalties under
13 PAGA in the Superior Court of California, County of Los Angeles, Case No. 24STCV12066. On
14 or about June 5, 2024, Plaintiff Ralph Hernandez provided written notice to the LWDA and
15 Defendant of the specific provisions the Labor Code alleged to have been violated, including the
16 facts and theories in support. A true and correct copy of Plaintiff Raph Hernandez's PAGA claim
17 notice is attached hereto as **Exhibit 4**. The LWDA did not notify Plaintiff Ralph Hernandez that it
18 intended to investigate within 65 days of his PAGA claim notice. On August 12, 2024, Plaintiff
19 Ralph Hernandez filed a representative action against Defendant for civil penalties under PAGA
20 in the Superior Court of California, County of Riverside, Case No. CVPS2405007. On November
21 21, 2025, Plaintiffs filed a First Amended Complaint in this Class Action which added Sarah
22 Sandoval, Mustafa Alkarkhi, Jacob Terry, and Ralph Hernandez as named plaintiffs and added a
23 cause of action for civil penalties under PAGA, effectively consolidating all the pending actions.

24 6. On April 1, 2025, the Parties participated in a private full-day mediation with
25 mediator Gig Kryiacou. The negotiations were adversarial, conducted at arm's length, and
26 tempered by the efforts of both sides to serve the interests of their clients. The Parties accepted a
27 mediator's proposal and agreed upon general settlement terms. On April 26, 2024, the United
28 States District Court entered an Order of Remand, and this Class Action was returned to this Court.

1 After further negotiations, the Parties memorialized their agreement in a Memorandum of
2 Understanding in October 2025.

3 7. The Parties finalized and fully executed the Class Action and PAGA Settlement
4 Agreement in February 2026. A true and correct copy of the Parties' fully executed Class Action
5 and PAGA Settlement Agreement ("Settlement Agreement") is attached hereto as **Exhibit 5**.
6 Attached thereto as **Exhibit A** is a true and correct copy of the Parties' proposed Class Notice. A
7 true and correct copy of the Settlement Agreement redlined against the Los Angeles Superior
8 Court's Model Class Action and PAGA Settlement Agreement upon which it was based is attached
9 hereto as **Exhibit 6**.

10 8. On February 27, 2026, Plaintiffs submitted a copy of the Settlement Agreement to
11 the LWDA. A true and correct copy of the confirmation of submission my office received after
12 submitting the Settlement Agreement to the LWDA is attached hereto as **Exhibit 7**.

13 **Investigation and Exposure Analysis**

14 9. Prior to attending mediation, Plaintiffs' Counsel thoroughly investigated the claims,
15 applicable law, and potential defenses. Plaintiffs' Counsel assessed the value to the class claims
16 using the data and documents Defendant produced in informal discovery. The data and documents
17 produced by Defendant included the number of Class Members and Aggrieved Employees, the
18 number of workweeks in the Class Period, and the number of pay periods in the PAGA Period, the
19 average rate of pay, Plaintiffs' personnel files, Defendant's wage-and-hour policy documents, and
20 a sampling of Class Members' time and payroll records over the span of approximately four (4)
21 years. Plaintiffs' Counsel engaged an expert to quantify the potential exposure using the time and
22 payroll records, and then assessed the risks associated with each claim meriting reductions in the
23 likely success at class certification and likely recovery at trial.

24 10. Defendant's records show that there are approximately 5,638 Class Members,
25 making joinder of all Class Members impracticable. Further, given the size and amount of each
26 Class Members' claim, Class Members have little incentive to litigate their claims on an individual
27 basis because the out-of-pocket expenses and personal commitment necessary to litigate each claim
28 likely outweigh any potential recovery.

1 11. Plaintiffs have alleged that Defendant maintained common employment policies
2 and/or practices that unlawfully deprived Class Members of wages, meal periods, rest periods,
3 reimbursements for business expenses, accurate wage statements, timely payment of wages upon
4 separation of employment, and timely production of employment records. These allegations
5 present common factual and legal questions of, inter alia, whether Defendant applied the same
6 scheduling, timekeeping, pay, meal period, rest period, reimbursement, and employment record
7 production policies to all Class Members, whether these policies and practices resulted in Labor
8 Code violations, whether Defendant's conduct was intentional, and whether Class Members are
9 entitled to damages and/or penalties. These common questions could be resolved using Class
10 Members' time records, payroll records, testimony from Defendant's designated representative(s),
11 and Class Members' testimony.

12 12. Although the exposure Plaintiffs' Counsel calculated is substantial, the various risks
13 at succeeding at class certification and through trial affected the valuation of the claims for
14 settlement purposes. Based on an analysis of the facts and legal contentions in this case, documents
15 and information from Defendant, Plaintiffs' Counsel evaluated Defendant's maximum exposure.
16 Plaintiffs' Counsel took into account the risk of not having the claims certified and the risk of not
17 having prevailed at trial, even if the claims are certified. After using the data Defendant provided,
18 including class member timekeeping and payroll records, as well as class member demographics,
19 with the assistance of a statistics expert, Plaintiffs' Counsel created a damages model to evaluate
20 the realistic range of potential recovery for the class.

21 13. Minimum and Overtime Wages: Plaintiffs' unpaid minimum and overtime wage
22 claims were based on the allegation that Defendant required Class Members to perform work duties
23 while off the clock, without compensation. For example, Plaintiffs alleged that Defendant required
24 them and other Class Members to perform extensive pre-shift tasks and post-shift tasks and to work
25 during recorded meal periods, all without compensation. Based on these allegations, Plaintiffs'
26 Counsel conservatively estimated that Class Members worked one (1) hour off the clock per week
27 in calculating potential exposure for these claims to be approximately \$8,024,688.84 (321,116
28 workweeks x \$16.66 average hourly rate of pay x 1.00 hour/workweek x 1.5 overtime rate of pay).

1 Because this claim would have relied heavily on Class Member testimony and would not be
2 evidenced in Defendant's time and payroll records, the risk of succeeding at class certification was
3 substantial. Accordingly, Plaintiffs' Counsel applied a risk discount based on a 40% chance of
4 succeeding at class certification and a 40% chance of succeeding at trial on the merits, yielding a
5 realistic damage estimate of approximately \$1,283,950.22 ($\$8,024,688.84 \times 40\% \times 40\%$).

6 14. Meal Periods: Plaintiffs' meal period claim was based on the allegation that
7 Defendant failed to provide Class Members with legally compliant meal periods or pay meal period
8 premiums in lieu thereof. For example, Plaintiffs alleged that Defendant routinely failed to provide
9 them and other Class Members with timely uninterrupted meal periods due to continuous
10 understaffing. Plaintiffs' Counsel's expert found a facial violation rate of approximately 18.9% in
11 Defendant's time and payroll records for shifts greater than five (5) hours. Therefore, potential
12 liability for the meal period claims is approximately \$3,866,193.00 (1,227,854 shifts greater than
13 5 hours $\times$ \$16.66 hourly rate $\times$ 18.9% violation rate). However, Defendant argued that Class
14 Members were covered by meal period waivers. Accordingly, Plaintiffs' Counsel applied a risk
15 discount based on a 50% chance of succeeding at class certification and a 40% chance of
16 succeeding at trial on the merits, yielding a realistic damage estimate of approximately
17 \$773,238.60 ($\$3,866,193.00 \times 50\% \times 40\%$).

18 15. Rest Periods: Plaintiffs' rest period claim was based on the allegation that Defendant
19 failed to provide Class Members with legally compliant rest periods or pay rest period premiums
20 in lieu thereof. For example, Plaintiffs alleged that Defendant failed to provide them and other
21 Class Members with timely uninterrupted rest periods due to continuous understaffing. Based on
22 these allegations, Plaintiffs' Counsel applied a 100% violation rate to all shifts of 3.5 hours or
23 longer. Therefore, potential liability for the rest period claims is approximately \$22,331,847.02
24 (1,340,447 shifts of 3.5 hours or longer $\times$ \$16.66 hourly rate $\times$ 100% violation rate). However,
25 Plaintiffs' Counsel discounted this figure to account for the difficulty of certifying and proving
26 rest period claims, particularly because rest periods do not have to be recorded, and to account for
27 the possibility of Class Members voluntarily choosing to forego a rest period. Because this claim
28 would have relied exclusively on Class Member testimony, Plaintiffs' Counsel discounted this

claim based on a 30% chance of succeeding at class certification and a 20% chance of succeeding at trial, yielding a realistic damage estimate of approximately \$1,339,910.82 ($\$22,331,847.02 \times 30\% \times 20\%$).

16. Reimbursement: Plaintiffs' reimbursement claim was based on the allegation that Defendant failed to indemnify Class Members for expenses incurred as a direct result of performing their job duties for Defendant. For example, Plaintiffs alleged that Defendant required them and other Class Members to use their personal cell phones to communicate with managers and other employees but failed to reimburse them for this business expense. For purposes of calculating Defendant's liability based on a best-case scenario for Plaintiff and the Class, Plaintiffs' Counsel estimated that Defendant were liable to each class member for \$30 per month, or \$7.50 per workweek, in unreimbursed expenses, for a total amount of approximately \$2,408,370.00 ($\$7.50 \times 321,116$ workweeks). Plaintiffs' Counsel discounted this figure based on an evaluation of a 30% chance of succeeding at class certification and a 30% chance of succeeding at trial to account for the difficulty of certifying and proving expense reimbursement claims, yielding a realistic damage estimate of approximately \$216,753.30 ($\$2,408,370.00 \times 30\% \times 30\%$).

17. In sum, Plaintiffs' Counsel estimated that Plaintiffs' maximum recovery for the off-the-clock claim, meal period violations, and rest period violations (i.e., the wage claims) is approximately \$34 million, but after factoring in the risk and uncertainty of certification and prevailing at trial, Plaintiffs' Counsel estimates that Plaintiffs' realistic estimated recovery for these non-penalty wage claims is approximately \$3,397,099.64.

18. Derivative Penalties: Plaintiffs alleged that as a result of Defendant's failure to pay all wages owed, Defendant owed waiting time penalties and wage statement penalties. With respect to Plaintiffs' derivative claims for statutory penalties, Plaintiffs' Counsel estimated that Defendant's realistic potential liability is approximately \$1,329,492.19. Defendant's maximum potential liability for waiting time penalties is approximately \$13,861,453.20 ($3,962$ employees $\times$ $\$16.66$ hourly rate $\times$ 7.00 hours/day $\times$ 30 days) based on approximately 3,962 formerly employed class members during the 3-year statute of limitations period and an average shift length of 7.00 hours. Defendant's maximum potential liability for inaccurate wage statements is approximately

1 \$8,296,750.00 ([3,673 employees x 1 initial violation/employee x \$50 for an initial violation] +
2 [(84,804 pay periods - 3,673 initial violations) x \$100 for each subsequent violation]) based on
3 approximately 3,673 class members who worked during the 1-year statute of limitations period
4 and approximately 84,804 pay periods in that statutory timeframe. In light of the foregoing,
5 Plaintiffs' Counsel believes that it would be unrealistic to expect the Court to award the full
6 \$22,158,203.20 in statutory penalties given Defendant's defenses, the contested nature of
7 Plaintiffs' claims, the challenges of establishing willfulness as applicable, and the discretionary
8 nature of penalties. Considering that the underlying wage claims are realistically estimated to be
9 approximately \$3,397,099.64, such a disproportionate award would also raise due process
10 concerns. As such, Plaintiffs' counsel discounted these figures to account for the risk and
11 uncertainty of obtaining class certification and prevailing at trial, resulting in a realistic evaluation
12 of approximately \$831,687.19 for waiting time penalty claims ($\$13,861,453.20 \times 30\% \times 20\%$), and
13 approximately \$670,990.00 for wage statement penalty claims ($\$8,296,750.00 \times 30\% \times 20\%$), or
14 approximately \$1,329,492.19 total for statutory penalties.

15 19. PAGA: For the PAGA claim, Plaintiffs' Counsel determined that Defendant's
16 potential exposure could potentially reach \$6,709,900.00, assuming the initial \$100 penalty would
17 apply for each of the 67,099 pay periods in the PAGA Period. However, even assuming success
18 on the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of
19 reasons, including where to do otherwise would result in an award that is unjust, arbitrary and
20 oppressive, or confiscatory. As such, Plaintiffs' counsel discounted this figure to account for the
21 risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately
22 \$670,990.00 for PAGA penalties ($\$6,709,900.00 \times 10\%$). The settlement allocates \$240,000.00 of
23 the Gross Settlement Amount to PAGA, therefore the PAGA allocation amounts to 5.5% of the
24 Gross Settlement Amount and approximately 36% of the realistic maximum damages for PAGA
25 penalties ($\$240,000.00 / \$670,990.00$).

26 20. Using these estimated figures, Plaintiffs' Counsel predicted that the realistic
27 maximum recovery for all claims, including penalties, would be approximately \$5,614,335.13.
28 This means that the gross settlement figure represents approximately 78% of the realistic maximum

1 recovery (\$4,400,000.00 / \$5,614,335.13). Considering the risk and uncertainty of prevailing at
2 class certification and at trial, this is an excellent result for the Class. Indeed, because of the
3 proposed Settlement, Class Members will receive timely, guaranteed relief and will avoid the risk
4 of an unfavorable judgment.

5 21. Based on the figures in the Settlement Agreement, the Net Settlement Amount
6 available for class settlement payments is currently estimated to be \$2,522,583.33 for
7 approximately 5,638 Class Members. As a result, each Settlement Class Member would be
8 eligible to receive an average net benefit of approximately \$447.43.

9 **Plaintiffs' Counsel's Qualifications**

10 22. Plaintiffs William Moreno, Lizbeth Gonzalez Velazquez, and Sarah Sandoval are
11 represented by WLF. The attorneys at WLF performed significant work and expended litigation
12 costs in prosecuting this matter with no guarantee of payment.

13 23. WLF was selected by Best Lawyers and U.S. News & World Report as one of the
14 nation's Best Law Firms since 2020 and is comprised of more than 100 attorneys and over 600
15 employees. WLF is actively and continuously practicing in employment litigation, representing
16 employees in both individual and class actions in both state and federal courts throughout
17 California.

18 24. WLF is qualified to handle this litigation because its attorneys are experienced in
19 litigating Labor Code violations in individual, class action, and representative action cases. WLF
20 has handled, and is currently handling, numerous wage and hour class action lawsuits, as well as
21 class actions involving consumer rights and data privacy litigation.

22 25. I graduated from the University of California, Santa Barbara with High Honors in
23 1991 with Bachelor of Arts degrees in Psychology. I received my Juris Doctor from UCLA Law
24 School in 1996.

25 26. Upon graduating from law school in 1996, I worked for a boutique law firm
26 practicing general litigation which included employment law matters. Since 2000 (that is, the last
27 25 years) my practice has been exclusively focused on labor and employment matters including
28 handling wage and hour class, collective and representative actions (including the California

1 Private Attorneys General Act, or “PAGA”), including in the international law firms of Morgan,
2 Lewis & Bockius LLP (where I was a senior associate), Foley & Lardner LLP (where I was a
3 partner and a national Vice Chair of the Labor and Employment Group), Norton Rose Fulbright
4 LLP (where I was a partner) and Seyfarth Shaw LLP (where I was a partner and member of the
5 Wage and Hour Practice Group). During my time at these law firms, I was the primary attorney or
6 took a major leading role in defending employers on numerous wage and hour class, collective and
7 representative actions.

8 27. In late June 2022 I left Seyfarth Shaw LLP and joined my current firm, Wilshire
9 Law Firm, PLC, to represent plaintiff employees. I have been and am handling many wage and
10 hour class and representative actions litigating such matters on behalf of plaintiff employees in
11 numerous Superior Courts and District Courts. From matters representing both plaintiffs and
12 defendants, I have successfully mediated the resolution of many wage and hour class, collective,
13 and representative actions. Just since starting to settle cases in late April 2023 I have already
14 successfully mediated matters in which I have been counsel or co-counsel resulting in **well over**
15 **\$225 million** in settlements and verdicts which are in the process of being finalized, and with
16 numerous upcoming mediations scheduled. In those, and numerous other matters, I have managed
17 and assisted with the litigation and settlement of many wage and hour PAGA and class actions. In
18 those actions, I performed similar tasks as those performed in the course of prosecuting this action.
19 Indeed, I recently tried and prevailed in achieving a jury verdict in a wage and hour class action in
20 the matter of *Aguilar-Flores v. Javier’s – CC LLC*, Los Angeles County Superior Court, Case No.
21 19STCV36438 (settled after verdict).

22 28. I have received numerous awards for my legal work. For example, from 2015 to
23 2018, I was listed in Los Angeles Super Lawyers for Employment Litigation (Thomson Reuters).
24 I have also served on numerous prominent boards and in other leadership positions, including
25 serving as Southern California Regional President for the Hispanic National Bar Association and
26 on the board of directors of the Mexican American Bar Foundation. I also previously served on the
27 5-member Los Angeles Civil Service Commission, which generally oversees the personnel
28 decisions for the City of Los Angeles.

1 29. I have also published numerous blogs on labor and employment issues including on
2 wage and hour issues. For example, I published “Headline News: Wal-Mart v. Dukes-Impact on
3 Class Action Litigation” (while a partner with Foley & Lardner LLP) and “Are You Really
4 Protected From Wage-and-Hour Successor Liability in an Asset Purchase” (while a partner with
5 Seyfarth Shaw LLP). I have also been a presenter at numerous conferences, including being a
6 presenter involving the “Employment Law Update” at a National Employment Law Council
7 conference.

8 30. Samantha A. Smith (“Ms. Smith”) was a Senior Attorney at WLF where her practice
9 was focused on managing wage and hour class action and PAGA settlements. Ms. Smith was
10 admitted to the California Bar in December of 2004, and received a J.D. from University of
11 California, Hastings College of the Law and a Bachelor of Arts from University of California,
12 Davis. Ms. Smith has dedicated her 21-year career to plaintiffs’-side class action litigation. Her
13 wealth of experience includes successful work on all stages of class action litigation, including
14 class action appeals, class certification motions, and class settlements. See, e.g., *Blue Diamond*
15 *Growers Product Labeling Cases*, JCCP No. 4822 (Los Angeles County Superior Court) (false
16 advertising of Blue Diamond food products); *Adam vs. eHealth, Inc.*, Case No. 17CV309050
17 (Santa Clara County Superior Court) (employee data breach); *Overton v. Armour-Eckrich Meats,*
18 *LLC*, Case No. CIVDS1501325 (San Bernardino County Superior Court) (unpaid wages, meal
19 period and rest break claims, and PAGA violations for non-exempt employees); *DeLeon et al. v.*
20 *Westlake Services, LLC*, Case No. BC 526750 (Los Angeles County Superior Court) (unpaid
21 overtime, meal period and rest break claims for call center employees); *Sawyer v. Retail Data,*
22 *LLC*, Case No. 30-2014-00753767-CU-OE-CXC (Orange County Superior Court) (unpaid wage
23 and rest break claims for piece rate workers); *Nguyen v. Pharmerica Corporation et al.*, Case No.
24 30-2014-00716072-CU-OE-CXC (Orange County Superior Court) (unpaid wages and
25 unreimbursed expenses for pharmacists); *Laumea v. Performance Food Group, Inc.*, Case No.
26 CIVDS1407509 (San Bernardino County Superior Court) (unpaid wages, meal and rest break
27 claims for non-exempt employees); *Durroh v. East West Bank*, Case No. BC528860 (Los Angeles
28 County Superior Court) (overtime claims for failure to include bonuses in regular rate of pay for

1 bank workers); *Gonzalez et al. v. SFFI Company, Inc. et al.*, Case No. CIVDS1504287 (San
2 Bernardino County Superior Court) (unpaid wages, meal period and rest break claims for non-
3 exempt employees).

4 31. Diego Aviles (“Mr. Aviles”) is a Junior Partner at WLF. He graduated from the
5 University of California, Irvine, with a Bachelor of Arts in Political Science as well as a Bachelor
6 of Arts in Criminology, Law, and Society, and received his Juris Doctor from the Santa Clara
7 University School of Law in 2015. During law school, Mr. Aviles was President for the Santa Clara
8 Employment Law Society, Board Member of the Honors Moot Court, and President of the Santa
9 Clara University La Raza Chapter. He clerked for the Equal Employment Opportunity Commission
10 in San Francisco, California, and also worked with the Workers’ Rights Clinic in San Jose,
11 California, among other employment law firms. He was admitted to practice law in the State of
12 California in 2017. Since graduating from law school, he has focused his legal work exclusively
13 on employment matters, including wage-and-hour class action and PAGA representative action
14 litigation, and he has helped obtain dozens of settlements on behalf California workers. He has
15 been appointed Class Counsel numerous times in California and most recently achieved a
16 published California Appellate opinion in the matter of *Alberto v. Cambrian Homecare, et al.*, 91
17 Cal.App.5th 482 regarding employment arbitration agreements. He has also been a member of the
18 California Employment Lawyers Association (CELA) since at least 2019.

19 32. Harry Erganyan (“Mr. Erganyan”) is an Associate Attorney at WLF. He was
20 admitted to practice law in the State of California in 2021. Mr. Erganyan graduated from Loyola
21 Marymount University, with a Bachelor of Arts in Political Science. He received his Juris Doctor
22 from Southwestern Law School. During law school, he externed for the Los Angeles City Attorney.
23 Since January 2021, Mr. Erganyan’ practice has been focused on wage and hour class action
24 litigation.

25 33. Mariam Nazaretyan (“Ms. Nazaretyan”) is an Associate Attorney at WLF. She was
26 admitted to practice law in the State of California in 2021. Ms. Nazaretyan graduated from Loyola
27 Marymount University with a Bachelor of Arts in Political Science. She received her Juris Doctor
28 from Southwestern Law School. During law school, she was a student editor for the Journal of

1 International Media and Entertainment Law and secretary of the Student Bar Association. Since
2 graduating, Ms. Nazaretyan’s practice has been focused on international humanitarian law and
3 employment law. Ms. Nazaretyan currently bills at an hourly rate of \$550.00.

4 34. Emily K. Borman (“Ms. Borman”) is a Junior Partner at WLF. She was admitted to
5 practice law in the State of California in May 2015. Ms. Borman graduated from Cornell University
6 with a Bachelor of Science in Development Sociology and a Minor in Applied Economics and
7 Management. While at Cornell she was inducted into the Alpha Kappa Delta International Honor
8 Society. Ms. Borman received her Juris Doctor from University of California Law San Francisco
9 (formerly UC Hastings). Since graduating, her practice has been in employment law, including
10 plaintiff-side wage and hour cases. She has received numerous awards for her legal work. In 2021
11 and from 2023 to 2025, Super Lawyers selected her as a “Southern California Rising Star.

12 35. Courtney M. Miller (“Ms. Miller”) is a Settlement Attorney at WLF. She was
13 admitted to practice law in the State of California in 2019. Ms. Miller graduated from the
14 University of California, Santa Cruz, with a Bachelor of Arts in Sociology. Prior to becoming an
15 attorney, Ms. Miller worked at a boutique civil litigation firm for nearly a decade, primarily
16 handling employment matters. She earned her Juris Doctor from Southwestern Law School in
17 2019. Ms. Miller has prosecuted wage and hour class and PAGA actions, almost exclusively, since
18 2020. As a handling attorney, Ms. Miller obtained over \$30 million dollars in settlements on behalf
19 of California employees.

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37. WLF is not aware of any other pending matter or action against Defendant asserting claims that will be extinguished or adversely affected by this Settlement.

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


John G. Yslas

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EXHIBIT 1

WILSHIRE LAW FIRM, PLC

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Daniel DeSantis, Esq.	Elizabeth Votra, Esq.
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Mary Caruso, Esq.	Ghazaleh Attaran, Esq.
Johnny Ogata, Esq.	Adam Sherman, Esq.
Nicol Hajjar, Esq.	Jesenia Martinez, Esq.
Stephanie Mazepa, Esq.	Arrash Fattahi, Esq.
Brad Stuckey, Esq.	Jesse Chen, Esq.
Thiago Coelho, Esq.	Arsine Grigoryan, Esq.
Cameron Stewart, Esq.	
Shahin Rezvan, Esq.	

February 9, 2024

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(Via Online Submission)

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(Via Certified Mail, Return Receipt Requested)
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Re: ***William Moreno and Lizbeth Gonzalez v. ABC Phones of North Carolina, Inc. dba Victra, et al.***
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by William Moreno and Lizbeth Gonzalez ("Employees") to pursue a Labor Code Private Attorneys General Act of 2004 ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against their former employers, ABC Phones of North Carolina, Inc. dba Victra ("Victra" or "Employers"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Employers engaged in with respect to Employees and some or potentially all of Employers' Aggrieved Employees.

Employees wish to pursue this action on behalf of Employees as Aggrieved Employees, on behalf of the State of California, as well as on behalf of some or potentially all other persons who worked for Employers in California as a non-exempt or hourly-paid employee at any time within the applicable statutory period (hereafter, the "Aggrieved Employees").

Employees and the Aggrieved Employees, or some of them, suffered the Labor Code violations described below.

Employees' Employment with Victra

Victra is Verizon's largest authorized retailer. Employees worked as a manager and a sales consultant. Their primary job functions included contacting current and potential clients to offer and/or sell Victra's services. In performing their duties, Employees were regularly required to

perform work (off-the-clock), without compensation. Due to understaffing and high workloads, Employees were also frequently deprived of an opportunity to take legally compliant meal and rest breaks. Moreover, Employers failed to provide Employees and other Aggrieved Employees with the meal and rest break premiums as required by the Labor Code. Additionally, Employees incurred business-related expenses, such as the use of their personal cellphones, but Employers failed to reimburse them for all such business-related expenses. These are just non-exhaustive examples of the facts and theories the Employees assert, which are described in more detail below.

Employers own/owned and operate/operated an industry, business, and establishment within the State of California. As such and based upon all the facts and circumstances incident to Employers' business in California, Employers are subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission ("IWC"), and the California Business & Professions Code.

Employee William Moreno is a resident of El Monte, California who worked for Employers in Los Angeles County, California as an hourly-paid, non-exempt employee from approximately February 2023 to approximately May 2023.

Employee Lizbeth Gonzalez is a resident of Dinuba, California who worked for Employers in Fresno County, California as an hourly-paid, non-exempt employee from approximately November 2021 to approximately June 2023.

During their employment for Employers, Employers paid Employees an hourly wage and classified them as non-exempt from overtime. Employers typically scheduled Employees to work at least five days in a workweek and at least eight hours per day, but Employees also worked more than eight hours in a workday and more than forty (40) hours in a workweek.

Throughout Employees' employment, Employers failed to pay for all hours worked (including minimum, straight time, and overtime wages), failed to provide Employees with legally compliant meal periods, failed to authorize and permit Employees to take rest periods, failed to timely pay all final wages to Employees when Employers terminated Employees' employment, failed to furnish accurate wage statements to Employees, failed to indemnify Employees for business expenditures, and failed to timely produce Employees' requested employment records. As discussed below, Employees' experience working for Employers was typical and illustrative.

Failure to Pay for All Hours Worked, Including Minimum, Straight Time, and Overtime Wages

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is the time during which an employee is subject to the control of an employer and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the IWC is unlawful.

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Throughout the statutory period, Employers at times failed to pay Employees and the Aggrieved Employees, or some of them, for all hours worked, including minimum, straight time, and overtime wages. Employers at times required Employees and the Aggrieved Employees, or some of them, to work “off-the-clock,” uncompensated, by, for example, requiring Employees and the Aggrieved Employees to perform work during uncompensated meal periods and rest periods, and requiring Employees and the Aggrieved Employees to perform work before clocking in and/or after clocking out. Some of this unpaid work should have been paid at the overtime rate. California Labor Code § 510 requires that employers compensate employees 1.5 times their regular rate of pay when employees work over eight hours per day, 40 hours per week, or when employees work up to eight hours on any seventh day of a workweek. Employer at times failed to properly calculate Employees’ regular rate of pay when paying overtime, by failing to include all compensation in Employees’ overtime calculations, including commissions, incentive pay, and other non-discretionary bonuses such as “Haymaker Bonuses”. In failing to pay for all hours worked, Employers also failed to maintain accurate records of the hours Employees and the Aggrieved Employees, or some of them, worked.

Throughout the statutory period, Employers also engaged, at times, in a practice of improper rounding. Under *Camp v. Home Depot U.S.A., Inc.* (2022) 84 Cal.App.5th 638, because Employers could and did track the exact time in minutes that Employees worked, they must pay for all time worked. When an employer uses an electronic timekeeping system to record time worked, this ability to “precisely capture time worked” means that “the employer must pay the employee for that worktime when due.” (*Id.* at 671.) As a result of Employers’ rounding policy, Employees consistently were not compensated at least minimum wage for all hours that Employees worked.

As a result, Employers are liable to Employees and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Despite these legal requirements, Employers at times wrongfully failed to provide Employees and the Aggrieved Employees, or some of them, with their legally mandated 30-minute, uninterrupted, and duty-free meal period in a manner required by law (and also including but not limited to failing at times to provide Plaintiff, the Class, and the Aggrieved Employees, or some of them, the opportunity to leave the work premises to take meal periods). Employers also continued to assert control over Employees and the Aggrieved Employees, or some of them, by, among other things, requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Employees and the Aggrieved Employees, or some of them, permission to take a meal period under the conditions required by law, and without properly compensating Employees and the Aggrieved Employees, or some of them, for meal periods that were not provided as required by law. Employers also did not inform Employees of their right to, nor permitted them to take, all of Employees’ second meal periods when they worked at least ten hours of work in a workday and otherwise unlawfully pressured Employees to waive such breaks.

Accordingly, Employers at times failed to provide meal periods to Employees and the Aggrieved Employees, or some of them, in compliance with California law.

Employees and the Aggrieved Employees, or some of them, are thus entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s). Employers, however, at times failed to pay Employees and the Aggrieved Employees, or some of them, the additional wages to which they were entitled for meal periods that were not provided.

As a result, Employers are liable to Employees and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of ten uninterrupted minutes for each four hours of work or major fraction of four hours (i.e., more than two hours). Thus, for example, if an employee's work time is six hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Throughout the statutory period, Employers at times have wrongfully failed to authorize and permit Employees and the Aggrieved Employees, or some of them, to take legally compliant rest periods in a manner required by law (and also including but not limited to failing, at times, to authorize and permit Plaintiff, the Class, and the Aggrieved Employees, or some of them, the opportunity to leave the work premises to take rest periods). Employers at times required Employees and the Aggrieved Employees, or some of them, to work in excess of four consecutive hours a day without Employers authorizing and permitting Employees to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Employees and the Aggrieved Employees, or some of them, for rest periods that were not authorized or permitted. Instead, Employers at times continued to assert control over Employees and the Aggrieved Employees, or some of them, by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or by denying Employees and the Aggrieved Employees, or some of them, permission to take a rest period. Accordingly, Employers at times failed to authorize and permit Employees and the Aggrieved Employees, or some of them, to take rest periods in compliance with California law.

Employees and the Aggrieved Employees, or some of them, are thus entitled to be paid one hour of additional wages for each workday they were not authorized and permitted to take all required rest period(s). Employers, however, at times failed to pay Employees and the Aggrieved Employees, or some of them, the additional wages to which they were entitled for rest periods that they were not authorized and permitted to take.

As a result, Employers are liable to Employees and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

Based on Employers' failure at times to pay Employees and the Aggrieved Employees, or some of them, for all wages as discussed above, Employers also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, at times, Employers failed and refused to pay the Employees all wages due, and failed to pay those wages twice a month, in that Employees were not paid all wages for all meal periods not provided by Employers, all wages for all rest periods not authorized and permitted by Employers, and all wages for all hours worked. As a result, Employers owe Employees the legally required wages for unpaid wages, and Employees and the Aggrieved Employees, or some of them, suffered damages in those amounts.

Moreover, Employers are liable to Employees and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

Employees seek penalties under California Labor Code § 1174(d). Pursuant to California Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by California Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Employers, however, at times failed to maintain accurate records of hours worked and all meal periods taken or missed by Employees and the Aggrieved Employees, or some of them.

Employers' failure to provide and maintain records required by the California Labor Code and the applicable IWC Wage Orders deprived Employees and the Aggrieved Employees, or some of them, the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Employers' records. Therefore, Employees and the Aggrieved Employees, or some of them, had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Employers. As a direct result, Employees and the Aggrieved Employees, or some of them, have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorneys' fees in seeking to compel Employers to fully perform their obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Employers' knowing failure, at times, to comply with the California Labor Code and applicable IWC Wage Orders, Employees and the Aggrieved Employees, or some of them, have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

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Within the applicable statute of limitations, the employment of Employees and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the employment of others will be terminated. However, during the relevant time period, Employers at times failed, and continue at times to fail to pay Employees and terminated Aggrieved Employees, or some of them, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Employers' employment. These unpaid wages include wages for unpaid work time (including minimum, straight time, and overtime wages), missed meal period premium wages, and missed rest period premium wages.

Employers' conduct violates Labor Code §§ 201 and 202. Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

Accordingly, Employees and the Aggrieved Employees, or some of them, are entitled to recover from Employers their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to thirty (30) days maximum pursuant to Labor Code § 203. Moreover, Employers are liable to Employees and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall, semimonthly or at the time of each payment of wages, furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Lab. Code § 226(e)(2)(B)(iii).)

The statute further provides: "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 to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney's fees." (Lab. Code § 226(e)(1).)

Throughout the statutory period, Employers at times failed to, and continue at times to fail, to timely furnish Employees and the Aggrieved Employees, or some of them, with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

Because Employers at times violated Labor Code § 226, Employees and similarly Aggrieved Employees, or some of them, suffered injury and damage to their statutorily protected rights. Accordingly, Employees and similarly Aggrieved Employees, or some of them, are entitled to recover from Employers the greater of their actual damages caused by Employers' failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars (\$4,000) per employee. Moreover, Employers are liable to Employees and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 226.3 for failing to timely furnish accurate itemized wage statements.

Failure to Indemnify for Necessary Expenditures

Labor Code § 2802(a) provides that employers shall indemnify their employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statute of limitations period applicable to this cause of action, Employers at times wrongfully required Employees and the Aggrieved Employees, or some of them, to pay expenses that they incurred in direct discharge of their duties for Employers. Employees and the Aggrieved Employees, or some of them, at times paid out-of-pocket for necessary employment-related expenses. Employees and the Aggrieved Employees, or some of them, incurred substantial expenses as a direct result of performing their job duties for Employers, but Employers failed to indemnify Employees and the Aggrieved Employees for these employment-related expenses.

As a result, Employers are liable to Employees and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify Employees and the Aggrieved Employees, or some of them, for necessary business expenditures.

Failure to Produce Requested Employment Records

Labor Code § 226 provides that current and former employees have the right to inspect or receive a copy of their records pertaining to their employment, upon reasonable request to their employer. Under this statute, an employer that receives a request to inspect or receive a copy of records pertaining to a current or former employee must comply with the request as soon as practicable, but no later than twenty-one (21) calendar days from the date of the request. Labor Code § 1198.5(a) also provides that every current and former employee, or his or her representative, has the right to inspect and receive a copy of the personnel records that the employer maintains relating to the employees' performance or to any grievance concerning the employee. Under this statute, upon written request from a current or former employee or his or her representative, an employer must make the contents of those personnel records available for inspection or provide a copy of the personnel records to the current or former employee, or his or her representative, not later than thirty (30) calendar days from the date the employer receives the written request, subject to some limited exceptions. Labor Code § 432 provides that if an employee or applicant signs any instrument relating to the obtaining or holding of employment, he or she shall be given a copy of the instrument upon request. On information and belief, Employees and the Aggrieved Employees, or some of them, submitted written request(s) to Employers for their payroll records, timecards, and personnel records but did not timely receive them as required by the Labor Code.

As a result, Employers are liable to Employees and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 226(f), 1198.5(k), and 2699 for failing to timely produce the requested records.

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Recordkeeping Requirement Violations

California Labor Code section 1174 requires employers to keep “accurate and complete” payroll records showing, among other things, the hours worked daily by Employees and Aggrieved Employees. All applicable IWC Wage Orders, section 7 similarly requires employers to keep accurate time records reflecting the times during which all owed meal periods were provided each day.

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

Based on information and belief, Employers at times failed and continue at times to fail to keep accurate and complete records showing total hours worked by Employees and Aggrieved Employees, or some of them, by virtue of Employers’ time rounding and/or auto deduction policies and practices and/or other off-the-clock work policies and practices.

Employers at times failed and continue at times to fail to keep accurate and complete records showing total hours worked by virtue of Employers’ failure to relieve Employees and Aggrieved Employees, or some of them, of all duties and Employers’ control for unpaid meal periods, resulting in unpaid hours worked.

Based on information and belief, Employers further failed at times, and continue at times to fail, to record the true start and end times of Employees’ and Aggrieved Employees’ meal periods, or some of them.

Based on further information and belief, Employers further failed at times and continue at times to fail, to record the true start and end times of Employees’ and Aggrieved Employees’ work shifts, or some of them.

Additionally, Employers at times failed, and continue at times to fail to keep accurate records and issue accurate wage statements by not documenting accrued sick time for Employees and Aggrieved Employees, or some of them.

Employers’ failure to keep “accurate and complete” payroll records for Employees and Aggrieved Employees, or some of them, violates Labor Code sections 1174, 1198, 1199, and all applicable IWC Wage Orders, section 7. These violations subject Employers to civil penalties under Labor Code sections 558.1, 226.6, 1174.5 and 2699. Each violation of each Labor Code section and Wage Order provision, for each Aggrieved Employees (or some of them), results in a separate civil penalty.¹

Violation of Wage Theft Protection Act of 2011

Based on information and belief, Employers failed at times, and continue at times to fail, to comply with the notice requirements of Labor Code section 2810.5 (*i.e.*, the Wage Theft Protection Act of

¹ See Lab. Code §2699(f)(2) (establishing that the civil penalty is “for each aggrieved employee per pay period”).

2011) by, among other things, failing to provide Employees and Aggrieved Employees, or some of them, with the rates of pay and overtime rates of pay applicable to their employment, allowances claimed as part of the minimum wage, the regular payday designated by Employers, the name of the employer, including any “doing business as” names used, the name, address and telephone number of the workers’ compensation insurance carrier, information regarding paid sick leave, and other pertinent information required to be disclosed by Employers under Labor Code section 2810.5. Employees are informed and believe that failure to provide such information, including rates of pay that are in effect, has permitted Employers to pay Aggrieved Employees, or some of them, at rates of pay that were not agreed upon and violate minimum wage and overtime wage laws in California. Employees are additionally informed and believe that the notice requirement of Labor Code section 2810.5 involves a mandatory payroll or workplace injury reporting. Among other relief, Aggrieved Employees, or some of them, may collect from Employers in connection with these violations’ civil penalties pursuant to Labor Code sections 558 and 2699.

Violation of California Labor Code §§ 245-248.5

Throughout the relevant time period, Employers at times failed to provide proper paid sick leave to Employees and other Aggrieved Employees, or some of them. Employers either failed at times to provide paid sick leave at all or improperly calculated the sick leave accrual and the sick leave rate of pay owed to Employees and other Aggrieved Employees, or some of them, by failing at times to base the accrued sick leave hours on the correct number of hours worked (as a result of the rounding/automatic deduction policies and practices for meal periods and/or shift start and end times/other required off-the-clock work including but not limited to unpaid meal periods that were restricted to Employers’ premises) and by failing to incorporate multiple rates of pay and/or all non-discretionary remuneration, including but not limited to, non-discretionary bonuses, shift differential pay and/or other non-discretionary compensation into the sick leave pay rate calculation.

Based on information and belief, Employers further failed to provide notice of the correct sick leave amount balance available to Employees and other Aggrieved Employees on their wage statements or other written statement.

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

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

This illegal retention of paid sick leave is unlawful, and Employees seek all forms of injunctive relief, restitution, and declaratory relief as permitted by California law, on behalf of Employees and all Aggrieved Employees.

In violation of Labor Code section 247.5, Employers failed to maintain records documenting the hours worked and paid sick days accrued and used by Employees and all Aggrieved Employees,

permitting the presumption that Employees and all Aggrieved Employees were entitled to the maximum number of hours accruable under this article.

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

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

On information and belief, Employees allege that all of these practices were experienced and continue to be experienced by other Aggrieved Employees.

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

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

Failure To Provide Supplemental Paid Sick Leave

Labor Code section 248.2 provides that all employers with 26 or more employees are required to provide up to 80 hours for covered employees to take 2021 COVID-19 Supplemental Paid Sick Leave to care for themselves, to care for a family member or if it is vaccine-related. Based on information and belief, Employers violated Labor Code section 248.2 by not providing Aggrieved Employees with required 2021 COVID-19 Supplemental Paid Sick Leave.

Refusal to Make Payment

Labor Code section 216 declares unlawful an employer's refusal to pay wages due and payable and/or denial of the validity of any claim to wages due. Employers violated and continue to violate Labor Code section 216 by failing to pay Employees and all Aggrieved Employees for all hours worked at the proper wage rate and by failing to pay Employee and all Aggrieved Employees an additional hour of pay for each meal and/or rest period not provided or that was invalid. *Gould v. Maryland Sound Industries, Inc.* (1995) 31 Cal.App.4th 1137, 1154-1155.

These violations subject Employers to civil penalties under Labor Code section 225.5. Each violation results in a *separate* civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE, for each pay period during which the statute's provisions were violated.²

² Labor Code § 225.5 (establishing that “[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who unlawfully withholds wages due any employee in violation of sections 212, 216, 221, 222, or 223 shall be subject to a civil penalty...for each failure to pay each employee”) (emphasis added).

Seating Violations

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

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

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

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

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

Based on information and belief, Employers failed to provide Aggrieved Employees with suitable seating, and when such employees were not engaged in duties which required them to stand, no seating was placed in reasonable proximity to their workstations.

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

Employers' Aggrieved Employees worked in various positions. The nature of Employees' and other Aggrieved Employees' work reasonably permitted the use of seats. However, Employers failed to provide suitable seating in reasonable proximity to Aggrieved Employees' work areas in violation of section 14(A-B) of all applicable Wage Orders, and Labor Code sections 1198 and 1199, subjecting Employers to civil penalties under Labor Code sections 1199 and 2699. Each violation of each Labor Code section and IWC Wage Order provision, for each NON-EXEMPT AGGRIEVED EMPLOYEE, results in a separate civil penalty.³

Statutory Wage Violations

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

As described above, Employers willfully and systematically denied Employees and other Aggrieved Employees of minimum and overtime wage compensation for all hours worked which resulted in the payment of less than statutorily required wages owed to them. Employers acted

³ See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

with the intent to deprive them of statutory wages, including, but not limited to, overtime wages and minimum wages, to which they were entitled to under California law.

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

Failure to Pay Vested Vacation/Paid Time Off

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

Failure to Timely Provide Temporary Workers with Owed Wages

On information and belief, Employers had and have a policy of failing to provide all temporary workers with owed wages weekly by not later than the regular payday of the following week. As a result, pursuant to Labor Code section 201.3, Employers would be liable for civil penalties pursuant to Labor Code sections 201.3.

Unlawful Agreements/ Unlawful Criminal History Inquiries

Unlawful Agreements

Labor Code section 432.5 provides that "no employer ... shall require any employee or applicant for employment to agree, in writing, to any term or condition which is known by such employer ... to be prohibited by law." Based on information and belief, Employers required Employees, Aggrieved Employees and Exempt Aggrieved Employees to agree in writing to unlawful conditions of employment including but not limited to, unlawful non-compete and/or non-solicitation agreements as well as unlawful criminal and/or financial checks as a condition of obtaining and/or continuing employment in violation of Labor Code section 432.5.

Additionally, California Labor Code section 925 prohibits an employer from requiring an employee who primarily resides and works in California, as a condition of employment, to agree to a provision that would either: (1) require the employee to adjudicate outside of California a claim arising in California, or (2) deprive the employee of substantive protection of California law with respect to a controversy arising in California. Any contract provision that violates California Labor Code section 925 is voidable by the employee and shall be adjudicated under California law. On information and belief, Employees allege that Employers required Employees and other Aggrieved Employees to execute arbitration agreements whose interpretation, enforceability, and performance would be governed by North Carolina law. By requiring such agreements, Employers violated both Labor Code section 925 and Labor Code section 432.5, particularly as Labor Code section 925 applies to contracts entered into after January 1, 2017.

Moreover, California Labor Code section 922 and 923 prohibits an officer or agent of an employer from coercing or compelling any person to enter into an agreement, written or verbal, not to join or become a member of any Labor Organization, as a condition of securing employment or continuing in the employment of any such person is guilty of a misdemeanor. Such restrictions are intended to prevent employers from interference or restraint in seeking self-organization or collective bargaining.

On information and belief, Employees allege that Employer required Employees and other Aggrieved Employees from acknowledging that unions are a hinderance and that signing union cards are difficult to undo. Specifically, Employers included misleading statements regarding unions, self-organization, and collective bargaining as part of their Employee Handbooks in an effort to discourage Employees and other Aggrieved Employees from joining a union, in violation of Labor Code sections 922, 923, and 432.5.

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

Based on information and belief, Employers ordered unlawful financial credit checks on Aggrieved Employees and Exempt Aggrieved Employees, in violation of Labor Code section 1024.5, and required Aggrieved Employees and Exempt Aggrieved Employees to provide ongoing written consent to the unlawful credit checks as a condition of employment, in violation of California and Federal law, which results in a further violation of Labor Code section 432.5.

Based on information and belief, Employers also required Aggrieved Employees and Exempt Aggrieved Employees to submit and/or agree to submit in writing to unlawful criminal background checks as a condition of obtaining and/or holding employment in violation of the ICRAA and the FCRA. For example, based on information and belief, Employers required Employees to submit and/or agree to submit in writing to an unlawful background check as a condition of obtaining and/or holding employment in violation of, including but not limited to, Labor Code section 432.5.

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

By requiring Aggrieved Employees and Exempt Aggrieved Employees to agree in writing to unlawful criminal and/or financial checks not in conformance with the applicable laws, Employers violated Labor Code section 432.5.

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

Based on further information and belief, Employers knew that requiring Aggrieved Employees and Exempt Aggrieved Employees to agree to unlawful criminal and/or financial background checks as a condition of obtaining and/or holding employment was unlawful.

By requiring Aggrieved Employees and Exempt Aggrieved Employees agree in writing to unlawful provisions as a condition of employment, Employers violated Labor Code section 432.5.

Unlawful Inquires into Criminal History

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

Upon information and belief, Employers, in violation of California law, including but not limited to the Fair Chance Act/the California Fair Employment and Housing Act (“FEHA”), asked Aggrieved Employees and Exempt Aggrieved Employees about convictions prior to extending an offer of employment and/or otherwise impermissibly inquired into criminal history on their employment application in violation of California law.

By asking about arrests not resulting in convictions, Employers violated Labor Code section 432.7. By asking about convictions at the application phase or prior to extending an employment offer, Employers violated California’s Fair Chance Act, and thereby violated Labor Code section 432.5 by unlawfully requiring Aggrieved Employees and Exempt Aggrieved Employees to agree in writing to disclose arrests and/or convictions as a condition of employment.

Unlawful PAGA Waiver

Additionally, Employers violated Labor Code section 432.5 by requiring Employees, Aggrieved Employees and Exempt Aggrieved Employees to agree in writing to other unlawful agreements, including but not limited to, an unlawful waiver of PAGA and or representative actions as a condition of employment.

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

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

Upon information and belief, Employers required Employees, Aggrieved Employees and Exempt Aggrieved Employees to agree in writing to waive their right to a trial of PAGA claims in violation of California law. By requiring Employees, Aggrieved Employees and Exempt Aggrieved Employees to agree, in writing, to an unlawful PAGA waiver, Employers required written agreement to an unlawful provision as a condition of employment which is a violation of labor code section 432.5.

As such, Employees, Aggrieved Employees and Exempt Aggrieved Employees continue to be subject to various unlawful provisions as a condition of employment.

Preventing Employees from Using or Disclosing Skills, Knowledge, and Experience

On information and belief, Employers had and have a policy or practice of preventing Employees and/or other Aggrieved Employees from using or disclosing the skills, knowledge, and experience they obtained at Employers for purposes of competing with Employers, including, without limitation, preventing Employees from disclosing their wages in negotiating a new job with a prospective employer, and from disclosing who else works at Employers and under what circumstances they might be receptive to an offer from a rival employer. As such, Employees are informed and believe that this violates Business and Professions Code sections 17200, 16600 and 16700, and, by virtue thereof, various provisions of the Labor Code, including Labor Code sections 232, 232.5, and 1197.5, subdivision (k). Employers would be liable for civil penalties pursuant to Labor Code section 2699.

Whistleblower Violations

On information and belief, Employers had and have a policy or practice of preventing Employees and/or other Aggrieved Employees from disclosing violations of state and federal law, either within Employers to their managers or outside Employers to private attorneys or government officials, among others, in violation of Business and Professions Code section 17200, and, thus, in violation of Labor Code section 1102.5. In addition, Employees are informed and believe that these policies and/or practices prevent Employees and/or other Aggrieved Employees from disclosing information about unsafe or discriminatory working conditions, or about wage and hour violations in violation of Labor Code sections 98.6, 232, and 232.5. These violations of the Labor Code would expose Employers to liability for civil penalties pursuant to Labor Code section 2699.

Workplace Health and Safety Violations

On information and belief, Employers had and have a policy or practice of failing to furnish and use safety devices and safeguards, and adopt and use practices, means, methods, operations and processes which are reasonably adequate to render such employment and place of employment safe and healthful, pursuant to, including but not limited to, Labor Code section 6401. Employees are informed and believe, and based thereon allege that Employers had and have a policy or practice of requiring or permitting employees to go or be in any employment or place of employment which is not safe and healthful, pursuant to Labor Code section 6402. Employees are informed and believe, and based thereon allege that Employers had and have a policy or practice

of failing or neglecting to: provide and use safety devices and safeguards reasonably adequate to render the employment and place of employment safe; adopt and use methods and processes reasonably adequate to render the employment and place of employment safe; and do every other thing reasonably necessary to protect the life, safety, and health of employees, pursuant to Labor Code section 6403. Employees are informed and believe, and based thereon allege that these failures include, without limitation, failing to disinfect time clocks and other surfaces after use by Employees and/or other Aggrieved Employees; failing to provide adequate protection equipment to Employees and/or other Aggrieved Employees; and failing to provide adequate distance in working conditions between Employees and/or other Aggrieved Employees.

On information and belief, Employers violated section 1527, 3366, 3457 and 8397.4 by failing to provide adequate and readily accessible sanitation facilities; a regular schedule for servicing, cleaning, and supplying each facility to ensure it is maintained in a clean, sanitary and serviceable condition; an adequate supply of suitable cleansing agents, water, single-use towels or blowers; and a sufficient number of toilets to be used by each sex of employee.

Action for Civil Penalties Under PAGA

In light of the above, Employees allege that Employers violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

1. Labor Code §§ 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;
4. Labor Code § 204 by failing to pay all earned wages two times per month;
5. California Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;
6. Labor Code §§ 201 to 203 by willfully failing to pay all wages owed at termination;
7. Labor Code § 226 by failing to provide accurate itemized wage statements;
8. Labor Code § 2802 by failing to indemnify for necessary expenditures;
9. Labor Code §§ 226, 432, and 1198.5 by failing to timely produce requested payroll records, timecards, and personnel records;
10. Labor Code § 1174 by failing to keep accurate and complete payroll records;
11. Labor Code §§ 245-248.5 by failing to provide proper sick leave and supplemental paid sick leave;
12. Labor Code § 216 for refusal to pay wages due and payable and/or denial of the validity of any claim to wages due;
13. Labor Code § 223 for secretly paying wages lower than required by statute while purporting to pay legal wages;
14. Labor Code § 227.3 for failure to pay vested vacation and/or paid time off;
15. Section 14(A-B) of all applicable IWC Wage Orders for failure to provide suitable seating;

LWDA

Notice of Labor Code Violations and PAGA

February 9, 2024

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16. Labor Code § 432.5 for unlawful agreements;
17. Labor Code § 201.3 for failure to timely provide temporary workers with wages;
18. Labor Code §§ 98.6, 232, 232.5, 1102.5, and 1197.5 for preventing employees from using or disclosing the skills, knowledge and experience they obtained at Employers, and whistleblower violations;
19. Labor Code § 432.7 for unlawful inquiries into criminal histories; and
20. Labor Code §§ 1527, 3366, 3457, 8397.4, 6401, and 6401 for workplace health and safety violations.

Therefore, on behalf of potentially all Aggrieved Employees, Employees seek applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 1174.5, 1197.1, and 2699.

Employees have placed Employers on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

WILSHIRE LAW FIRM

A handwritten signature in black ink, appearing to read "John Yslas", is written over the printed name.

John G. Yslas, Esq.

EXHIBIT 2



MESSRELIAN LAW
ATTORNEYS AT LAW

500 N. Central Avenue, Suite 840
Glendale, California 91203

Tel: (818) 484-6531
Fax: (818) 956-1983

VIA ELECTRONIC FILING

February 16, 2024

California Labor & Workforce Development Agency (LWDA)
Attn. PAGA Administrator
800 Capitol Mall, MIC-55
Sacramento, California 95814

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

ABC PHONES OF NORTH CAROLINA, INC.
c/o CSC – LAWYERS INCORPORATING SERVICE
2710 GATEWAY OAKS DR., SUITE 150N
SACRAMENTO, CA 95833

ABC PHONES OF NORTH CAROLINA, INC.
8510 COLONNADE CENTER DRIVE, SUITE 300
RALEIGH, NC 27615

JACOB TERRY v. ABC PHONES OF NORTH CAROLINA, INC.

RE: PRIVATE ATTORNEYS GENERAL ACT NOTICE

To Whom It May Concern:

Please be informed that our client, Mr. Jacob Terry (hereinafter “Mr. Terry” or “our client”) seeks penalties on behalf of the State of California and all current and former non-exempt or hourly paid California employees or those employees who were misclassified and should have been hourly, non-exempt employees (“aggrieved employees”) who worked for ABC PHONES OF NORTH CAROLINA, INC. (hereinafter referred to as “ABC”) at all of their locations in the State of California, during the relevant time period pursuant to California Labor Code section 2698, et. seq., the Labor Code Private Attorneys General Act of 2004 (“PAGA”). The purpose of this letter is to comply with the statutory requirements of California Labor Code section 2699.3 and shall constitute notice of the same.

Mr. Terry started working at ABC in Sales on or around October 2023 and is still currently employed. Mr. Terry was and is classified as an hourly, non-exempt employee.

In the case of Huff v. Securitas Sec. Servs. USA, Inc., 23 Cal. App. 5th 745 (2018), Plaintiff, Huff, was employed as a security guard for the Defendant Employer, Securitas Security Services USA, Inc., an onsite security provider. After about a year of employment, Huff resigned. Huff then filed suit against Securitas under PAGA. In his claim, Huff specifically alleged violations to the Labor Code requiring immediate payment of wages upon termination of employment and



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weekly payment of wages to temporary employees. The trial court determined Huff was not a temporary employee, and therefore, lacked standing to bring the claim. Thus, Securitas was granted a motion for summary judgement. Later, the trial court granted Huff a new trial. Securitas then appealed the grant of a new trial. On appeal, the issue was whether Huff could bring a PAGA claim and sue for Labor Code violations that did not directly affect him. Securitas unsuccessfully argued that the PAGA statute only allows the PAGA representative to sue for violations that the representative has personally suffered. The PAGA statute states that an “aggrieved employee” is able to file suit on behalf of themselves and others. The statute also states that an “aggrieved employee” is “any person who was employed by the alleged violator and against whom one or more of the alleged violations was committed.” Because at least one of the violations that Huff had alleged had affected him personally, the Court of Appeal denied Securitas’ motion.

In sum, since PAGA allows Plaintiffs to bring suit on behalf of both themselves and other employees, it allows for suits broader than the specific violations the named employee experienced. Therefore, even if the employee did not personally experience the Labor Code violations, the employer may still be liable to under PAGA. Consequently, it is our position that Mr. Terry can equivocally bring the following labor code violations on behalf of all other employees, including ALL hourly, non-exempt employees, irrespective of job title or job duties.

It is our position that ABC has violated the following Labor Code Sections against Mr. Terry and other similarly situated aggrieved employees, who include all non-exempt, hourly employees who worked for ABC at ALL of their locations in the State of California during the relevant PAGA period.

ABC violated Labor Code § 1194, 1194.2, 1197, and 1197.1 because it failed to pay our client and other similarly situated aggrieved employees for all hours worked, including the statutory minimum wage for all hours worked and for “off the clock” work. This is so because ABC had a company policy wherein they would disproportionately round down the number of hours worked, resulting in “time shaving” and further resulting in aggrieved employees not being paid for all hours worked. Furthermore, since Mr. Terry and others worked through their meal periods while “off the clock” and while clocked out, they were not compensated for all hours worked, which would be akin to a minimum wage violation. Furthermore, ABC did not pay proper reporting time pay to employees.

Due to the above “off the clock” violations, ABC also violated Labor Code §510 because it failed to pay our client and other aggrieved employees overtime compensation, even though they worked more than 8 hours per day, 12 hours per day, and/or 40 hours per week throughout their employment. Mr. Terry’s and other aggrieved employees’ actual work hours, including the “off the clock” work and time shaving, entitled them to overtime compensation, however, ABC did not compensate its hourly, non-exempt employees with the correct amount of overtime due to the “off the clock” work and time shaving as described above. Furthermore, ABC failed to include bonuses/incentive payments in calculating employees’ regular rate of pay for use in deciphering the correct overtime rate of pay. Additionally, the incentive and bonus payments were also not factored into employees’ regular rate for purposes of receiving meal and rest break premiums per



the Ferra v. Loews case. Furthermore, Mr. Terry and others would not be paid the proper overtime when working for 7 straight days.

ABC also violated Labor Code § 226.7 and the appropriate Industrial Welfare Commission Wage Order no. 4/7 because it failed to provide our client and other similarly situated aggrieved employees with 10-minute rest periods for every four hours of work, or majority portion thereof, throughout their employment. ABC did not completely relieve our client and others of all duty during said rest periods. ABC did not pay to our client and others one additional hour of pay at our client's regular rate of compensation for each workday that one or more statutory rest periods was not provided. It was not part of the company policy for employees such as Mr. Terry to consistently take at least UNINTERRUPTED two rest breaks per shift. The concept of uninterrupted rest breaks was not consistently implemented as it was not company policy, especially because Mr. Terry had to tend to customers during statutory breaks due to the company being understaffed. As such, the culture as well as the policies and procedures of ABC did not lend itself to the employees receiving consistent statutory rest breaks wherein they were relieved of all work duties. The environment at ABC was not conducive to receiving multiple statutory rest breaks under California law and timely, statutory rest breaks were not authorized or enforced.

ABC violated Labor Code §§ 512 and 226.7 and the appropriate Industrial Welfare Commission Wage Order no. 4/7 because it failed to provide hourly, non-exempt employees, including Mr. Terry and others, the requisite 30-minute, uninterrupted meal periods for every five (5) hours of work throughout their employment. ABC did not completely relieve Mr. Terry and other employees of all duty during said meal periods. ABC did not pay to Mr. Terry and its hourly, non-exempt employees one additional hour of pay at their regular rate of compensation for each workday that one or more statutory meal periods was not provided. The hourly, non-exempt employees would not always be able to receive timely meal periods before the 5th hour worked that were actually uninterrupted. Due to understaffing, being busy with customers, and not wanting customers to complain about lack of service/help, Mr. Terry and others would simply take their meal breaks late (after the 5th hour worked) or would have to interrupt their meal breaks to tend to customers. Like the rest breaks, receiving a thirty-minute uninterrupted and timely meal break was not always enforced by ABC. Consequently, it was the normal practice and custom of ABC not to authorize, permit, and enforce timely statutory meal periods. If ABC had our client sign a meal period waiver, it would not be valid and enforceable since our client and others generally worked more than a 6-hour shift. Even if Mr. Terry's and others' shifts were less than 6 hours, Mr. Terry did not sign a meal period waiver wherein he was able to revoke the agreement. If ABC had our client sign an on-duty meal period agreement wherein our client agreed to work through the meal periods, it would be invalid and unenforceable because the nature of our client's job does not and did not prevent him from taking a meal period and the company could have hired "breakers" to relieve Mr. Terry of his job duties so that he can actually take a timely, uninterrupted meal period. Moreover, any such "on duty" meal period agreement did not allow our client and others to revoke such an agreement even if it was signed. As such, our client and others did not receive statutory, timely meal periods during their employment. To the extent that ABC argues that employees receive meal break premium pay for missed meal periods, that argument is inconsequential for



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PAGA penalty purposes since the PAGA penalties are for the violations themselves, irrespective of whether an employee received the premium payment for a missed, short, or interrupted meal period. In *Kirby v. Immoos Fire Protection, Inc.*, the Court stated, “section 226.7 does not give employers a lawful choice between providing *either* meal and rest breaks *or* an additional hour of pay.” See *Kirby v. Immoos Fire Protection, Inc.*, (2012) 53 Cal.4th 1244, 1256 (emphasis in original). Thus, the extra hour of pay does not excuse the violation; the employer has still committed a violation even if the remedy for the violation has been paid. See *Wert v. U.S. Bancorp.*, (S.D. Cal. Mar. 22, 2016, 2016 WL 1110302 at *4). As such, the work environment and culture at ABC was not conducive to receiving consistent, timely, statutory meal breaks under California law. Moreover, any meal or rest break premiums paid were not compensated at the weighted average regular rate, inclusive of bonuses and/or incentive payments as well as overtime compensation.

Furthermore, during the relevant time period, and due to the above labor code violations, ABC failed to pay our client and other similarly situated aggrieved employees all wages due to them within any time period specified by California Labor Code section 204. Since Mr. Terry was personally not compensated for all hours worked and did not receive all meal and rest break premium payments for missed, late, or short meal/rest periods, ABC would have certainly violated section 204 as to Mr. Terry. ABC was also in violation of California Labor Code section 226(a) by failing to include pertinent information on the wage statements, including but not limited to, the correct hourly rate, all hours worked, overtime hours worked, correct overtime pay, gross wages earned, net wages earned, premium pay for missed meal and rest breaks, all deductions, the correct start and end of the pay period, all employee identifying information, the correct and complete name and address of the legal employer, and reimbursement for business expenses, among others. As such, ABC did not provide our client and other similarly situated aggrieved employees with complete, accurate itemized wage statements.

During the relevant time period, ABC also failed to keep accurate and complete payroll records showing the actual hours worked per day and the wages paid to Mr. Terry and others pursuant to California Labor Code sections 1174(d).

ABC also violated Labor Code § 203 because it willfully failed to pay other similarly situated aggrieved employees earned and due wages upon separation of employment, either immediately upon involuntary termination, or within 72 hours of resignation. These earned but unpaid wages include compensation for all hours worked, including minimum wages, overtime compensation, and premium pay for missed meal and rest breaks.

During the relevant time period, Mr. Terry and other aggrieved employees incurred necessary, business-related expenses and costs that were not fully reimbursed by ABC. These costs include, but are not limited to, use of personal cell phones for work purposes and uniforms. Accordingly, ABC was in violation of California Labor Code sections 2800 and 2802.

Furthermore, ABC did not provide proper and correct/accurate sick pay that was also delineated on employee pay stubs and also failed to provide proper sick leave in violation of Labor Code sections 233 and 246. Moreover, ABC violated the applicable Industrial Welfare Commission



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Wage Order no. 4-2001/7-2001, sections 13 and 14 in that there was no adequate rest break facilities and seating for the employees.

Each of the aforementioned violations, except the violations for inaccurate pay statements under Labor Code section 226(a), is among the enumerated serious violations set forth in Labor Code § 2699.5, for which there is no statutory right to cure.

Moreover, Mr. Terry would also have claims against ABC under the Fair Employment and Housing Act (FEHA) for failure to prevent racial harassment/hostile work environment as well as claims for retaliation (both under FEHA and under Labor Code section 1102.5).

Please take notice that, based upon the above-mentioned violations, and in addition to the penalties provided by those specific sections themselves, Mr. Terry also intends to seek penalties under the following Labor Code sections which themselves are inviolable but provide for recovery of penalties for violating one or more of the above-mentioned Labor Code sections: Labor Code §§ 558, 226.3, 1197.1.

Should your agency choose not to pursue this matter, this law office intends to vigorously prosecute the aforementioned Labor Code violations on its behalf and vindicate the rights of all employees who have been subjected to these same Labor Code violations by ABC.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you in advance for your attention to this matter.

Very Truly Yours,



Harout Messrelian, Esq.

EXHIBIT 3



MEHRDAD BOKHOUR
Attorney at Law

1901 Avenue of the Stars | Suite 450
Los Angeles | California 90067

tel 310 975 1493
fax 310 675 0861

February 20, 2024

SUBMITTED VIA LWDA'S PAGA CLAIM NOTICE ONLINE PORTAL

COPY SENT VIA CERTIFIED MAIL TO:

ABC PHONES OF NORTH CAROLINA, INC.
8510 COLONNADE CENTER DRIVE SUITE 300
RALEIGH, NC 27615

C/O CSC - LAWYERS INCORPORATING SERVICE
2710 GATEWAY OAKS DRIVE, SUITE 150N
SACRAMENTO, CA 95833

Re: Mustafa Alkarkhi v. ABC Phones of North Carolina, Inc.
Notice of Intent to File Suit for California Labor Code § 2698 et seq. Penalties

To Whom It May Concern:

This office and Falakassa Law, P.C. represent Mustafa Alkarkhi (hereinafter "Mr. Alkarkhi") and a proposed group of current and former non-exempt employees working for ABC Phones of North Carolina, Inc. dba Victra (hereinafter "ABC Phones") and any of its affiliated, predecessor and merged entities in the State of California for violations of the California Labor Code §§ 201-203, 204, 210, 221, 226(a), 226(e), 226.3, 226.7, 227.3, 246, 510, 512, 516, 1174, 1174.4, 1199, and all applicable Industrial Welfare Commission Wage Orders ("Wage Order").

This letter shall serve as notification under Labor Code § 2699.3 (hereinafter "PAGA Notice"). The \$75 filing fee payable to the California Labor and Workforce Development Agency for the Private Attorneys General Act Notice ("PAGA Notice") was paid online. A copy of this PAGA Notice was submitted electronically to the Department of Industrial Relations.

Mr. Alkarkhi wishes to bring a representative action on behalf of himself and the State of California as well as on behalf of the following group of "aggrieved employees":

All current and former non-exempt hourly employees who work or worked for ABC Phones of North Carolina, Inc. in California during the one year immediately preceding the filing of this PAGA Notice and continuing into the present and ongoing ("aggrieved employees")

ABC Phones' dba Victra line of business provides cellular telephone services and is the largest Verizon Wireless authorized retailer across California. Mr. Alkarkhi was employed by ABC Phones as a non-exempt employee with the title of "Sales Representative" out of its Temecula, California, location beginning in March/April 2022, until his separation from employment on December 27, 2023. Mr. Alkarkhi and other aggrieved employees (including Retail Sales Associate, Wireless Consultant, Retail Sales Consultant, Sales Lead, Assistant General Manager, and all other non-exempt positions) were responsible for all of ABC Phones' business in California.

At all relevant times, Mr. Alkarkhi and other aggrieved employees regularly worked various shifts, many of which were in excess of 8.0 hours in a workday and 40.0 hours in a workweek. Mr. Alkarkhi alleges that other aggrieved employees were also subjected to the same policies, procedures, practices, working conditions, and corresponding wage and hour violations to which he was subjected during his employment.

First, at all relevant times, Mr. Alkarkhi and other non-exempt employees worked regular shifts that lasted longer than 8.0 hours in a workday. This resulted in non-exempt employees regularly working more than 40 hours in a workweek. However, Mr. Alkarkhi and other non-exempt employees were not properly paid at the correct overtime rate for all overtime hours worked due to ABC Phones' uniform failure to include all forms of compensation/remuneration, including, but not limited to commissions, incentives, non-discretionary bonuses, and all other forms of remuneration in calculating the "regular rate of pay" for purposes of overtime compensation.

Under the California Labor Code (as well as the FLSA), courts have consistently held that regularly paid non-discretionary bonuses (and other forms of pay) must be included in determining an employee's "regular rate of pay" for purposes of calculating overtime. (See *Haber v. The Americana Corp.* 378 F. 2d 854, 855-856 (9th Cir. 1967) [holding that regularly paid efficiency bonuses must be included in calculating the "regular rate"]; *Wang v. Chinese Daily News, Inc.* 435 F. Supp. 2d 1042, 1055-1057 (C.D. Cal. 2006) [granting summary judgment to Plaintiff under California and federal law on the grounds that Defendant improperly calculated overtime by excluding annual bonuses paid to employees from the "regular rate of compensation"]; see *Walling v. Youngerman-Reynolds Hardwood Co.* (1945) 65 S.Ct. 1242, 1245. ("The regular rate by its very nature must reflect all payments which the parties have agreed shall be received regularly during the workweek, exclusive of overtime payments. It is not an arbitrary label chosen by the parties but an actual fact. Once the parties have decided upon the amount of wages and the mode of payment, the determination of the regular rate becomes a matter of mathematical computation, the result of which is unaffected by any designation of a contrary 'regular rate' in the contracts."); see also 29 CFR §§ 778.110 ("production bonus") and 778.111 ("piece-rate").

Labor Code § 510 requires an employer to compensate an employee who works more than eight (8.0) hours in one workday, forty (40.0) hours in a workweek, and for the first eight (8.0) hours worked on the seventh consecutive day, no less than one and one-half times (1 1/2) the

regular rate of pay. In addition, Labor Code § 510 obligates employers to compensate employees at no less than twice the regular rate of pay when an employee works more than twelve (12.0) hours in a workday or more than eight (8.0) hours on the seventh consecutive day of work. Pursuant to Section 3 of the applicable Wage Orders, non-exempt employees shall not be employed more than eight (8.0) hours in any workday or more than 40.0 hours in any workweek unless the employee receives one and one-half (1 1/2) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek.

By their policy of requiring aggrieved employees to work in excess of eight (8) hours in a workday and/or forty (40.0) hours in a workweek without compensating them at the rate of one-half (1 1/2) their regular rate of pay, ABC Phones willfully violated the provisions of Labor Code § 510 and the applicable Wage Orders.

Accordingly, through PAGA and to the extent permitted by law, Mr. Alkarkhi and other aggrieved employees are entitled to recover penalties for violations of Labor Code §§ 204, 210, 510, 1194, 1197.1, 1199 1197.1 under Labor Code § 1197.1, 1199, or Labor Code § 2699(f)(2), and for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Similarly, at all relevant times, ABC Phones also failed in its obligation to provide Mr. Alkarkhi and other aggrieved employees the legally required paid sick days at the legal rate pursuant to Labor Code §§ 246(a),(b), which requires that "[a]n employee who, on or after July 1, 2015, works in California for the same employer for 30 or more days within a year from the commencement of employment is entitled to paid sick days. . . at the rate of not less than one hour per every 30 hours worked, beginning at the commencement of employment." Labor Code § 246(l)(1) provides that paid sick time for non-exempt employees must be "calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek."

Additionally, Labor Code § 246(l)(2) states that the paid sick time must be "calculated by dividing the employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment." Finally, Labor Code § 246(i) requires employers to "provide an employee with written notice that sets forth the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, for use on either the employee's itemized wage statement described in Section 226 or in a separate writing provided on the designated pay date with the employee's payment of wages."

Here, at all relevant times, ABC Phones failed in its obligation to provide Mr. Alkarkhi and other aggrieved employees the legally required paid sick days at the "regular rate of pay," including all forms of compensation, pursuant to Labor Code §§ 246(a), (b). As such, ABC Phones paid sick time below his base rate of pay rather than the "regular rate of pay" as required by Labor Code §§ 246(l) (1-2).

Based on the foregoing Labor Code violations, Mr. Alkarkhi seeks all civil and statutory penalties available and applicable under Labor Code § 2699(f)(2), and for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Moreover, at all relevant times, Mr. Alkarkhi and other aggrieved employees were denied compliant and timely 30-minute off-duty meal periods as mandated by California law. Due to ABC Phones' uniform meal period policies/practices, operational requirements, staffing shortages, and work demands, Mr. Alkarkhi and other aggrieved employees often could not take timely and uninterrupted net 30-minute first meal periods before the end of the fifth hour of work.

Further, when Mr. Alkarkhi and other aggrieved employees worked more than 10.0 hours in a shift, they were not allowed and permitted to take a mandated second meal period before the end of the tenth hour of work in violation of the Labor Code and applicable Wage Orders. Indeed, Mr. Alkarkhi's and other aggrieved employees' meal periods were often interrupted and lasted fewer than 30 minutes due to ABC Phones' meal period policies/procedures, operational requirements, and work demands.

In addition, for each missed or non-compliant meal period, ABC Phones failed and continues to fail to maintain a mechanism by which aggrieved employees were paid meal period premiums at the "regular rate of pay" pursuant to *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 5th 858 and Labor Code § 226.7.

Accordingly, due to ABC Phones' uniform meal period practices, Mr. Alkarkhi and other aggrieved employees were also regularly denied legally compliant meal periods in violation of Labor Code 226.7, 510, 516, and applicable IWC Wage Orders and are entitled to penalties under Labor Code § 2699(f)(2).

Next, at all relevant times, Mr. Alkarkhi and other aggrieved employees were not provided with all 10-minute rest periods for every four hours worked, or a major fraction thereof, due to ABC Phones' uniform rest period policies/practices, staffing issues, operational requirements, and work demands. As a result, Mr. Alkarkhi and other aggrieved employees were and are often unable to take a net 10-minute duty-free rest period for every major fraction of four hours worked. This includes a second rest period for shifts in excess of six hours and a third rest period for shifts in excess of 10.0 hours in a workday.

By not relieving all non-exempt employees of all duties during rest periods, ABC Phones failed to provide legally compliant rest periods. See *Augustus v. ABM Security Services, Inc.* (2016) 2 Cal. 5th 257, 269 [concluding that "during rest periods employers must relieve employees of all duties and relinquish control over how employees spend their time."]. In *Augustus*, the California Supreme Court expressly rejected the employer's assertion that it could provide an on-duty rest period to employees who worked as security guards and further explained: "that employers [must] relinquish any control over how employees spend their break time and relieve their employees of all duties." *Id.* at 273. Each time Mr. Alkarkhi and other aggrieved employees

could not take a compliant rest period, ABC Phones failed and failed to adequately pay rest period premium payments at the “regular rate of pay” as required by Labor Code § 226.7.

Accordingly, due to ABC Phones’ uniform rest period policies/practices and work demands, Mr. Alkarkhi and other aggrieved employees were also regularly denied legally compliant rest breaks in violation of Labor Code §§ 226.7, 512, and applicable Wage Orders and would be entitled to penalties under Labor Code § 2699(f)(2).

As a result of ABC Phones’ failure to pay Mr. Alkarkhi and other aggrieved employees for all overtime and sick pay wages, and ABC Phones’ failure to pay for meal and rest period premiums at the “regular rate of pay,” ABC Phones issued wage statements which failed to identify the gross wages earned accurately, the total hours worked, the net wages earned, and the correct corresponding number of hours worked at each hourly rate, in violation of Labor Code § 226(a)(1, 2, 5, and 9).

Labor Code § 226.3 provides that “[a]ny employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial violation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage deduction statement or fails to keep the required in subdivision (a) of Section 226.”

Thus, for the violations of Labor Code section 226 described above, Mr. Alkarkhi and other aggrieved employees may also recover Labor Code § 226.3 penalties for ABC Phones’ violations of Labor Code § 226(a). Consequently, because ABC Phones failed to comply with Labor Code § 226(a), Mr. Alkarkhi and other aggrieved employees would be entitled to recover penalties under Labor Code §§ 226(e) or Labor Code § 2699(f)(2).

Finally, because ABC Phones failed to pay all overtime wages, sick pay wages, and meal and rest period premiums at the “regular rate of pay,” ABC Phones also failed and continues to fail to pay the aggrieved employees all wages owed at their time of separation from employment in violation of Labor Code §§ 201-203. Thus, aggrieved employees would be entitled to recover penalties under Labor Code §§ 201-203 or Labor Code § 2699(f)(2).

Pursuant to Labor Code § 2699.3(a)(2)(A), please advise within sixty-five (65) calendar days of the date of this notice whether your office intends to investigate the violations alleged herein above. We understand that if we do not receive a response from your office within sixty-five (65) calendar days of this PAGA Notice, Mr. Alkarkhi may thereafter pursue his interests and the interests of similarly aggrieved employees with a civil complaint against ABC Phones for its violations of the California Labor Code and applicable Wage Orders.

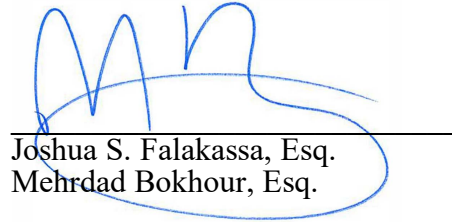
While we intend to pursue a PAGA representative and/or Class Action lawsuit against ABC Phones for unpaid wages and civil penalties under Labor Code § 2699, it is our firm’s policy to attempt to negotiate an early resolution of all matters where possible and beneficial to all aggrieved

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February 20, 2024
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employees. If ABC Phones is interested in resolving this matter, please contact me or have your lawyer contact our office to discuss an informal discovery plan and the possibility of early mediation on or before **April 16, 2024**.

Respectfully submitted,

FALAKASSA LAW, P.C.
BOKHOUR LAW GROUP, P.C.



Joshua S. Falakassa, Esq.
Mehrdad Bokhour, Esq.

EXHIBIT 4

LAW OFFICES OF
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June 5, 2024

**NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO
LABOR CODE SECTION 2699.3**

To: California Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Suite 801
Oakland, California 94612
Via Online Submission Only

<u>ABC PHONES OF NORTH CAROLINA, INC.</u> Registered Agent for Process Service c/o CSC - Lawyers Incorporating Service 2710 Gateway Oaks Drive Suite 150N Sacramento, CA 95833 <u>Certified No.:</u>	<u>ABC PHONES OF NORTH CAROLINA, INC.</u> Attn.: Legal Department 72333 CA-11 Ste. E Palm Desert, CA 92260 <u>Certified No.:</u>
<u>ABC PHONES OF NORTH CAROLINA, INC.</u> Attn.: Legal Department 510 Colonnade Center Drive Suite 300 Raleigh, NC 27615 <u>Certified No.:</u>	

From: RALPH HERNANDEZ, on behalf of himself and all other current and former aggrieved California-based hourly non-exempt employees of ABC PHONES OF NORTH CAROLINA, INC.

c/o Joseph Lavi, Esq.
Vincent C. Granberry, Esq.
Jovahn Wiggins, Esq.
LAVI & EBRAHIMIAN, LLP
8889 W. Olympic Boulevard, Suite 200
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Our firm has been retained by aggrieved employee RALPH HERNANDEZ concerning a representative action pursuant to the Private Attorneys General Act of 2004, Labor Code sections 2698, *et seq.* ("PAGA") against his employers, ABC PHONES OF NORTH CAROLINA, INC.

We are filing this written notice with the Labor and Workforce Development Agency (“LWDA”) pursuant to the provisions of the California Labor Code Sections 2699, 2699.3, and 2698, *et seq.* The purpose of this letter is to inquire whether LWDA intends to investigate and seek civil penalties associated with my client’s allegations of violations of the Labor Code by his Employer. In addition to submitting this letter and the \$75.00 filing fee via the online PAGA filing system, I am causing a copy of this letter to be mailed to the Department of Industrial Relations – Accounting Unit.

FACTUAL STATEMENT AND THEORIES OF LABOR CODE VIOLATIONS

Aggrieved employee RALPH HERNANDEZ (“Plaintiff” or “Employee”) was employed by ABC PHONES OF NORTH CAROLINA, INC. (“Defendants” or “Employers”) as an hourly non-exempt employee from in or around June 16, 2023, until on or about May 16, 2024.

1. *Failure to Pay the Minimum Wage Rate of Pay for All Hours Worked in Violation of Labor Code Sections 1194 and 1197*

Employee alleges that during his employment, Employer failed to pay him and other current and former aggrieved California-based hourly non-exempt employees with compensation at the minimum wage rate of pay for all the hours that they worked in violation of Labor Code sections 1194 and 1197. Labor Code section 1197 provides, “The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.” Labor Code section 1194 states, “...any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney’s fees, and costs of suit.”

Employee alleges that during his employment, Employer failed to pay him and other current and former aggrieved California-based hourly non-exempt employees all wages at the applicable minimum wage for all hours worked due to Employer’s policies, practices, and/or procedures including, but not limited to:

- Requiring Employee and other current and former aggrieved California-based hourly non-exempt employees clock out for their meal breaks and continue to work off-the-clock.

Employee and other current and former aggrieved California-based hourly non-exempt employees were not paid for this time resulting in Employer’s failure to pay minimum wage for all the hours Employee and other current and former aggrieved California-based hourly non-exempt employees worked.

Employer's aforementioned policies, practices, and/or procedures resulted in time each day in which Employee and other current and former aggrieved California-based hourly non-exempt employees were subject to the control of Employer without being compensated for that time.

Based on these violations, Employee intends to seek civil penalties pursuant to the Private Attorneys General Act ("PAGA"), California Labor Code sections 2698, *et seq.*, and Labor Code section 1197.1, subdivisions (a)(1)-(2), on behalf of the Labor and Workforce Development Agency ("LWDA") against Employer if authorized to file a representative action on behalf of the State of California. As a derivative claim of Employer's failure to pay wages at a minimum wage rate for all hours worked, Employee will also seek civil penalties for Defendant's violations of Labor Code section 226(a) under Labor Code sections 226.3 and/or 2699(f)(2) because the failure to pay such minimum wages for all hours worked rendered Employee's and other current and former aggrieved California-based hourly non-exempt employees' pay calculations inaccurate and resulted in their wage statements being inaccurate with respect to gross wages earned, total hours worked, net wages earned and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate, in violation of Labor Code sections 226(a)(1, 2, 5 & 9).

2. *Failure to Pay Overtime Wages for Overtime Hours Work and/or Failure to Pay Overtime wages at the Proper Overtime Rate of Pay in Violation of Labor Code Section 510 and 1194*

Employee alleges that during his employment, Employer failed to pay him and other current and former aggrieved California-based hourly non-exempt employees for the overtime hours that they worked at their overtime rate of pay.

Labor Code section 510, subdivision (a), states in relevant part:

"Eight hours of labor constitutes a day's work. Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee."

Further, Labor Code section 1198 provides,

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

Labor Code section 1194 provides, “...any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney’s fees, and costs of suit.”

Employee alleges that during his employment, Employer failed to pay him and other current and former aggrieved California-based hourly non-exempt employees overtime wages for overtime hours worked due to Employer’s policies, practices, and/or procedures including, but not limited to:

- Requiring Employee and other current and former aggrieved California-based hourly non-exempt employees clock out for their meal breaks and continue to work off-the-clock.

Employee and other current and former aggrieved California-based hourly non-exempt employees were not paid for this time resulting in Employers’ failure to pay minimum wage for all the hours Employee and other current and former aggrieved California-based hourly non-exempt employees worked.

Employer’s aforementioned policies, practices, and/or procedures resulted in time each day in which Employee and other current and former aggrieved California-based hourly non-exempt employees were subject to the control of Employer without being compensated for that time. To the extent that the foregoing unpaid time resulted from Employee and other current and former aggrieved California-based hourly non-exempt employees being subject to the control of Employer when they worked more than eight (8) hours in a workday, more than forty (40) hours in a workweek, and/or seven days in a workweek, Employer failed to pay them at their overtime rate of pay for all the overtime hours they worked.

Employer’s foregoing policies, practices, and/or procedures resulted in Employer failing to pay Employee and other current and former aggrieved California-based hourly non-exempt employees at their overtime rate of pay for all overtime hours worked, in violation of Labor Code sections 510, 1194, 1198, and the Wage Order.

In this case, Employee alleges that when he and other current and former aggrieved California-based hourly non-exempt employees earned overtime wages, Employer failed to pay them overtime wages at the proper overtime rate of pay due to Employer’s failure to include all remuneration when calculating the overtime rate of pay. Specifically, Employer maintained a policy, practice, and/or procedure of failing to include all remuneration such as commission, for example, when calculating Employee’s and other current and former aggrieved California-based hourly non-exempt employees’ regular rate of pay for the purpose of paying overtime.

Based on these violations, Employee intends to seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, under Labor Code sections 2699(f)(2) and 558, subdivisions (a)(1)-(2) on behalf of LWDA against Employer if authorized to file a representative action on behalf of the State of California. As a derivative claim of Employer’s failure to pay overtime wages

at the lawful overtime rate for all overtime hours worked, Employee will also seek civil penalties for Defendant's violations of Labor Code section 226(a) under Labor Code sections 226.3 and/or 2699(f)(2) because the failure to pay such overtime wages for all overtime hours worked rendered Employee's and other current and former aggrieved California-based hourly non-exempt employees' pay calculations inaccurate and resulted in their wage statements being inaccurate with respect to gross wages earned, total hours worked, net wages earned and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate, in violation of Labor Code sections 226(a)(1, 2, 5 & 9).

3. *Failure to Authorize or Permit Meal Periods and/or Failure to Pay Meal Period Premiums in Violation of Labor Code Sections 512 and 226.7*

Employee alleges that during his employment, Employer failed to authorize or permit all legally required and compliant meal periods and/or pay meal period premiums. California law requires an employer to provide an employee an uninterrupted meal period of no less than thirty (30) minutes in which the employee is relieved of all duties and the employer relinquishes control over the employee's activities prior to the employee's sixth hour of work. Labor Code §§226.7, 512; Wage Order 4, §11; *Brinker Rest. Corp. v. Super Ct. (Hohnbaum)* (2012) 53 Cal.4th 1004. An employer may not employ an employee for a work period of more than ten (10) hours per day without providing the employee with a second such meal period of not less than thirty (30) minutes prior to the start of the eleventh hour of work. *Id.* If the employer requires the employee to remain at the work site or facility during the meal period, the meal period must be paid. This is true even where the employee is relieved of all work duties during the meal period. *Bono Enterprises, Inc. v. Bradshaw* (1995) 32 Cal.App.4th 968. If an employer fails to provide an employee a meal period in accordance with the law, the employer must pay the employee one (1) hour of pay at the employee's regular rate of pay for each workday that a legally required and compliant meal period was not provided. Labor Code §226.7; Wage Order 4, §11.

Employee alleges that Employer failed to authorize or permit him and other current and former aggrieved California-based hourly non-exempt employees to take all legally required and compliant meal periods due to Employer's policies, practices, and/or procedures including, but not limited to, the following:

- failing to provide Employee and other current and former aggrieved California-based hourly non-exempt employees timely, uninterrupted, duty-free meal breaks due to Employee and other current and former aggrieved California-based hourly non-exempt employees being subjected to missed or late meal breaks and/or being required to remain on duty during their off-the-clock meal breaks.

Additionally, Employee alleges that Employer maintained a policy, practice, and/or procedure whereby they failed to pay Employee and other current and former aggrieved California-based hourly non-exempt employees a meal period premium wage of one (1) additional hour of pay at their regular rate of compensation for each workday that they did not receive all legally required and compliant meal periods, in violation of Labor Code section 226.7 and Wage Order 4 at § 11.

Finally, on occasions when Employer paid Employee and other current and former aggrieved California-based hourly non-exempt employees a “premium” wage for late, missed, short, on-premise, on-duty, and/or interrupted meal periods, Employer failed to pay the one (1) additional hour of pay at Employee’s and other current and former aggrieved California-based hourly non-exempt employees regular rate of compensation. Specifically, Employer maintained a policy, practice, and/or procedure of failing to include all remuneration such as commission, for example, when calculating Employee’s and other current and former aggrieved California-based hourly non-exempt employees regular rate of pay for the purpose of paying meal period premium wages.

Based on these violations, Employee intends to seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, under Labor Code sections 558 and/or Labor Code section 2699(f)(2) on behalf of LWDA against Employer if authorized to file a representative action on behalf of the State of California. As a derivative claim of Employer’s failure to authorize or permit all legally required and compliant meal periods and/or failure to pay meal period premium wages, Employee will also seek civil penalties for Defendant’s violations of Labor Code section 226(a) under Labor Code sections 226.3 and/or 2699(f)(2) because the failure to pay meal period premiums and/or pay meal period premiums at the proper regular rate of pay rendered Employee’s and other current and former aggrieved California-based hourly non-exempt employees’ pay calculations inaccurate and resulted in their wage statements being inaccurate with respect to gross and net wages earned, in violation of Labor Code sections 226(a)(1 & 5).

4. *Failure to Authorize or Permit Rest Periods and/or Failure to Pay Rest Period Premiums in Violation of Labor Code Section 226.7*

Employee alleges that during her employment, Employer failed to authorize or permit all legally required and compliant rest periods and/or failed to pay rest period premiums. California law requires that “[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof...” Wage Order 4, § 12. “Employees are entitled to 10 minutes’ rest for shifts from three and one-half to six hours in length, 20 minutes for shifts of more than six hours up to 10 hours, 30 minutes for shifts of more than 10 hours up to 14 hours, and so on.” *Brinker Restaurant Corp. v. Sup. Ct. (Hohnbaum)* (2012) 53 Cal.4th 1004, 1029; Labor Code §226.7. Additionally, the rest period requirement “obligates Employer to permit – and authorizes employees to take – off-duty rest periods.” *Augustus v. ABM Security Services, Inc.* (2016) 5 Cal.5th 257, 269. That is, during rest periods an employer must relieve employees of all duties and relinquish control over how employees spend their time. *Id.* If the employer fails to authorize or permit a required rest period, the employer must pay the employee one (1) hour of pay at the employee’s regular rate of pay for each workday the employer did not authorize or permit a legally required rest period. Labor Code section 226.7; Wage Order 4 at § 12.

Employee alleges that Employer failed to authorize or permit him and other current and former aggrieved California-based hourly non-exempt employees to take all legally required and compliant rest periods due to Employer's policies, practices, and/or procedures including, but not limited to, the following:

- Failing to provide Employee and other current and former aggrieved California-based hourly non-exempt employees with net ten (10) minute rest breaks for every four (4) hours worked or major fraction thereof.

Additionally, Employee alleges that Employer maintained a policy, practice, and/or procedure whereby they failed to pay Employee and other current and former aggrieved California-based hourly non-exempt employees a rest period premium wage of one (1) additional hour of pay at their regular rate of compensation for each workday that they did not receive all legally required and compliant rest periods, in violation of Labor Code section 226.7 and Wage Order 4 at § 12.

Finally, on occasions when Employer did pay Employee and other current and former aggrieved California-based hourly non-exempt employees a "premium" wage for late, missed, short, on-premise, on-duty, and/or interrupted rest periods, Employer failed to pay the one (1) additional hour of pay at Employee's and other current and former aggrieved California-based hourly non-exempt employees regular rate of compensation. Specifically, Employer maintained a policy, practice, and/or procedure of failing to include all remuneration such commission, for example, when calculating Employee's and other current and former aggrieved California-based hourly non-exempt employees' regular rate of pay for the purpose of paying rest period premiums.

Based on these violations, Employee intends to seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, under Labor Code section 2699(f)(2), on behalf of LWDA against Employer if authorized to file a representative action on behalf of the State of California. As a derivative claim of Employer's failure to authorize or permit all legally required and compliant rest periods and/or failure to pay rest period premium wages, Employee will also seek civil penalties for Defendant's violations of Labor Code section 226(a) under Labor Code sections 226.3 and/or 2699(f)(2) because the failure to pay rest period premiums and/or pay rest period premiums at the proper regular rate of pay rendered Employee's and other current and former aggrieved California-based hourly non-exempt employees' pay calculations inaccurate and resulted in their wage statements being inaccurate with respect to gross and net wages earned, in violation of Labor Code sections 226(a)(1 & 5).

5. *Failure to Indemnify Employees for Employment-Related Expenditures in Violation of Labor Code Section 2802*

Employees allege that during their employment, Employers failed to indemnify them and other current and former California-based employees for all necessary expenditures or losses incurred by them in the discharge of their duties. Labor Code section 2802(a) states, "An employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer..."

Employees allege that during their employment, Employers failed to indemnify them and other current and former California-based employees for all necessary expenditures or losses incurred by them in the discharge of their duties due to Employers' policies, practices, and/or procedures including, but not limited to, the following:

- requiring Employee and other current and former aggrieved California-based hourly non-exempt employees to use or purchase their own tools and/or resources in order to work for Employer, including but not limited to their personal cell phone (including both telephone use and cellular data use) for work-related purposes – to help customers in store; use service called ClickToCall, which Employee and other current and formed aggrieved California-based hourly non-exempt employees would use to help customers resolve issues relating to issues with payments, their devices, and bills, without reimbursing Employee and other current and former aggrieved California-based hourly non-exempt employees for such use.

Employers' aforementioned policies, practices, and/or procedures resulted in Employees and other current and former aggrieved California-based employees not receiving indemnification for employment-related expenditures, in violation of Labor Code 2802.

Based on this violation, Employees will seek both restitution for themselves and other current and former aggrieved California-based employees for Employers' violations of Labor Code section 2802 and will seek civil penalties under PAGA, Labor Code sections 2698, *et seq.*, on behalf of the LWDA against Employers if authorized to file a representative action on behalf of the State of California.

6. *Failure to Timely Pay Earned Wages During Employment in Violation of Labor Code Section 204*

Employee alleges that during his employment, Employer failed to timely pay Employee's and other current and former aggrieved California-based hourly non-exempt employees' earned wages. In California, wages must be paid at least twice during each calendar month on days designated in advance by the employer as regular paydays, subject to some exceptions. Labor Code §204(a). Wages earned between the 1st and 15th days, inclusive, of any calendar month must be paid between the 16th and the 26th day of that month and wages earned between the 16th and the last day, inclusive, of any calendar month must be paid between the 1st and 10th day of the following month. *Id.* Other payroll periods such as those that are weekly, biweekly, or semimonthly, must be paid within seven (7) calendar days following the close of the payroll period in which wages were earned. Labor Code §204(d).

As a derivative of Employee's claims above, Employee alleges that Employer failed to timely pay him and other current and former aggrieved California-based hourly non-exempt employees' earned wages (including minimum wages, overtime wages, meal period premium wages, and/or rest period premium wages), in violation of Labor Code section 204. Employer's aforementioned policies, practices, and/or procedures resulted in Employer failing to pay Employee and other

current and former aggrieved California-based hourly non-exempt employees their earned wages within the applicable time frames outlined in Labor Code 204.

Based on these violations, Employee intends to seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, on behalf of LWDA against Employer if authorized to file a representative action on behalf of the State of California.

7. *Secret Payment of Wages Lower Than Designated by Statute, in Violation of Labor Code Section 223*

Labor Code section 223 provides that, where any statute or contract requires an employer to maintain the designated wage scale, it shall be unlawful to secretly pay a lower wage while purporting to pay the wage designated by statute or contract. By engaging in the unlawful conduct alleged herein, including by failing to pay wages no less than the applicable legal minimum and overtime wages, and also meal and rest break premiums, as established by Labor Code sections 226.7, 510, 1194, 1197 and sections 11 and 12 of the applicable IWC Wage Orders, as incorporated by Labor Code section 1198, the Employer secretly paid a lower wage than designated by statute while purporting to pay the wages designated by statute, in violation of Labor Code section 223. The Employee with therefore pursue the civil penalties established by Labor Code section 225.5 for all such violations of Labor Code section 223, on behalf of the LWDA and against Employer if authorized to file a representative action on behalf of the State of California.

8. *Failure to Provide Complete and Accurate Wage Statements in Violation of Labor Code 226*

Labor Code section 226(a) states that “[a]n employer, semimonthly or at the time of each payment of wages, shall furnish to his or her employee...an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee...(3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer...and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee....”

Employee alleges that as a derivative of Employee’s claims above, Employer failed to provide accurate wage and hour statements to Employee and other current and former aggrieved California-based hourly non-exempt employees who were subject to Employer’s control for uncompensated time and who did not receive all their earned wages (including minimum wages, overtime wages, meal period premium wages, and/or rest period premium wages), as such failures rendered Employee’s and other current and former aggrieved California-based hourly non-exempt employees’ pay calculations inaccurate and resulted in their wage statements being inaccurate with respect to gross wages earned, total hours worked, net wages earned and all applicable hourly rates

in effect during the pay period and the corresponding number of hours worked at each hourly rate, in violation of Labor Code sections 226(a)(1, 2, 5 & 9).

Based on these violations, Employee will seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, under Labor Code section 226.3 and/or Labor Code section 2699(f)(2) on behalf of LWDA, against Employer if authorized to file a representative action on behalf of the State of California.

9. *Failure to Timely Pay all Earned Wages and Final Wages due at Time of Separation of Employment in Violation of Labor Code Sections 201, 202, 203*

Labor Code section 201(a) states that “[i]f an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately.” Labor Code section 202(a) continues, “[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....” Finally, Labor Code section 203(a) provides, “[i]f an employer willfully fails to pay...any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days....”

Employer committed direct violations of Labor Code section 203, through their policies, practices, and/or procedures, including, but not limited to failing to pay Employee and other current and former aggrieved California-based hourly non-exempt employees’ final commission upon their separation from Employer.

As a result of the aforementioned violations of the Labor Code, Employee alleges that he was not paid his final wages in a timely manner as required by Labor Code section 203. Earned wages (including minimum wages, overtime wages, meal period premium wages, and/or rest period premium wages) (all described above), were not paid at the time of Employee’s separation of employment. Employee is informed and believes and thereon alleges that former aggrieved California-based hourly non-exempt employees who separated from Employer, whether voluntarily or involuntarily, were not paid all wages due in a timely manner, as required by Labor Code sections 201, 202, and 203.

Based on these violations, Employee will seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, under Labor Code section 2699(f)(2) on behalf of LWDA, against Employer if authorized to file a representative action on behalf of the State of California.

10. *Employer’s Other Violations of the California Labor Code*

Finally, pursuant to *Huff v. Securitas Security Services USA, Inc.* (2018) 25 Cal.App.5th 745 (“*Huff*”), as an aggrieved employee, Employee has standing, and intends, on behalf of LWDA, to pursue civil penalties against Employer for any and all other Labor Code violations committed by Employer. In *Huff*, the California Court of Appeals held that an employee alleging a single violation of the Labor Code under PAGA may also bring PAGA claims against the employer for all other alleged Labor Code violations, even those suffered by other employees of the same

Labor & Workforce Development Agency
Re: *RALPH HERNANDEZ v. ABC PHONES OF NORTH CAROLINA, INC., et al.*
June 5, 2024
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employer. According to the *Huff* decision, Employee, as an “aggrieved” employee affected by at least one Labor Code violation may, and hereby does, pursue penalties on behalf of LWDA for unrelated Labor Code violations by Employer.

CONCLUSION

Our client intends to file a representative action pursuant to PAGA his wage claims as warranted by Employer’s violations of Labor Code sections 201, 202, 203, 204, 223, 226, 226.7, 510, 512, 1194, 1197, 2802, and sections 3, 4, 11 and 12 of the applicable IWC Wage Orders. This letter is being sent to you as an inquiry into whether LWDA wishes to investigate my client's claims for civil penalties associated with Employer’s violations of the Labor Code, as alleged herein. Thank you for your assistance and cooperation in this matter. If you have any questions or concerns, please contact me at the above-listed information.

Very truly yours,
LAVI & EBRAHIMIAN, LLP

A handwritten signature in blue ink, appearing to read "Jovahn Wiggins".

Jovahn Wiggins, Esq.

EXHIBIT 5

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

WILLIAM MORENO and LIZBETH
GONZALEZ VELASQUEZ, individually, on
behalf of all others similarly situated,

Plaintiff,

vs.

ABC PHONES OF NORTH CAROLINA,
INC. DBA VICTRA, a North Carolina
Corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No. 23STCV31717
Related Case No.: 24STCV09415

*Assigned for All Purposes To:
Hon. Elihu M. Berle, Dept. 6*

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT**

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Attorneys for Plaintiff JACOB TERRY

1 This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between
2 Plaintiffs, William Moreno, Lizbeth Gonzalez Velasquez, Sarah Sandoval, Jacob Terry, Mustafa
3 Alkarkhi, and Ralph Hernandez (“Plaintiffs”) and Defendant ABC Phones of North Carolina, Inc.
4 dba Victra (“Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as
5 “Parties,” or individually as “Party.”

6 1. **DEFINITIONS.**

7 1.1 “Actions” means Plaintiffs’ lawsuit alleging class and representative action wage and
8 hour violations against Defendant captioned *William Moreno, et al. v. ABC Phones of North*
9 *Carolina, Inc. dba Victra*, Case Nos. 23STCV31717 and 24STCV09415 (Los Angeles County
10 Superior Court); *Mustafa Alkarkhi v. ABC Phones of North Carolina, Inc.*, Case Nos.
11 CVRI2400933 and CVRI2402256 (Riverside County Superior Court); *Ralph Hernandez v. ABC*
12 *Phones of North Carolina, Inc.*, Case Nos. CVRI2403148 and CVPS2405007 (Riverside County
13 Superior Court), and *Jacob Terry v. ABC Phones of North Carolina, Inc.*, Case No.
14 24STCV12066 (Los Angeles County Superior Court).

15 1.2 “Administrator” means Phoenix Settlement Administrators, Inc., the neutral entity the
16 Parties have agreed to appoint to administer the Settlement.

17 1.3 “Administration Costs” means the amount the Administrator will be paid from the Gross
18 Settlement Amount to reimburse its reasonable fees and expenses in accordance with the
19 Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary
20 Approval of the Settlement.

21 1.4 “Aggrieved Employee” means all persons who worked for Defendant in California as an
22 hourly-paid or non-exempt employee at any time during the PAGA Period.

23 1.5 “Class” means all persons who worked for Defendant in California as an hourly-paid or
24 non-exempt employee at any time during the Class Period.

25 1.6 “Class Counsel” means Wilshire Law Firm, PLC, Bokhour Law Group, P.C., Falakassa
26 Law, PC, Lavi & Ebrahimian, LLP, and Messrelian Law, Inc.

27 1.7 “Class Counsel Fees Payment” means an award of attorneys’ fees granted to Class
28 Counsel and paid from the Gross Settlement Amount. The Parties have agreed that Plaintiffs will

request approval from the Court of up to one third (1/3) of the GSA (currently \$1,466,666.67, one million four hundred sixty-six thousand six hundred sixty-six dollars and sixty-seven cents). Distribution of the approved attorneys' fees shall be made pursuant to Class Counsel's Joint Prosecution Agreement and in accordance with the amounts disclosed to and approved by the Court pursuant to the California Rules of Court.

1.8 "Class Counsel Litigation Expenses Payment" means the amount allocated to Class Counsel for reimbursement of reasonable expenses and costs incurred to prosecute the Action, not to exceed \$75,000.00 (seventy-five thousand dollars and zero cents) and paid from the Gross Settlement Amount.

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

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

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

1.12 "Class Notice" means the Court-approved Notice of Settlement and hearing date for Final Approval, to be mailed to Class Members in English with a Spanish translation in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.13 "Class Period" or "Class Settlement Period" means the period from December 29, 2019 through the date of April 14, 2026 ("Settlement Class Period").

1.14 "Class Representatives" means the named Plaintiffs William Moreno, Lizbeth Gonzalez Velasquez, Sarah Sandoval, Jacob Terry, Mustafa Alkarkhi, and Ralph Hernandez in the Actions.

1.15 “Class Representative Service Payment” or “Enhancement Award” means the payment to the Class Representative for initiating the Actions and providing services in support of the Action.

1.16 “Court” means the Superior Court of California, County of Los Angeles.

1.17 “Defendant” means named Defendant ABC Phones of North Carolina, Inc. dba Victra.

1.18 “Defense Counsel” means Robert L. Shipley and Brandon S. Gray of Robert L. Shipley, APLC.

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

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

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

1.22 “Final Judgment” means the Judgment entered by the Court upon granting Final Approval of the Settlement.

1.23 “Gross Settlement Amount” or “GSA” means four million four hundred thousand dollars and zero cents (\$4,400,000.00), which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 8 below.

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

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

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

1.27 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699.

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

1.29 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Penalties payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Costs Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.30 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.31 “Operative Complaint” means the operative First Amended Class Action Complaint filed in the instant action consolidating all plaintiffs and claims into one action.

1.32 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.33 “PAGA Period” means the period from February 9, 2023, through the date of April 14, 2026.

1.34 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698 et seq.).

1.35 “PAGA Notice” means Plaintiffs’ Moreno’s and Gonzalez’s February 9, 2024, letters to the LWDA and Defendant providing notice pursuant to Labor Code section 2699.3, subd.(a), and those filed by Jacob Terry, Mustafa Alkarkhi, and Ralph Hernandez. Plaintiffs William Moreno and Lizbeth Gonzalez’s PAGA case number is LWDA-CM-1010121-24. Plaintiff Mustafa Alkarkhi’s PAGA case number is LWDA-CM-1012047-24. Plaintiff Jacob Terry’s PAGA case number is LWDA-CM-1011427-24. Plaintiff Ralph Hernandez’s PAGA case number is LWDA-CM-1032323-24.

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1 1.36 "PAGA Penalties" means the total amount of \$240,000 in PAGA civil penalties to be
2 paid from the Gross Settlement Amount, allocated 25% (\$60,000.00) to the Aggrieved Employees
3 and 75% (\$180,000) to the LWDA in settlement of PAGA claims.

4 1.37 "Participating Class Member" means a Class Member who does not submit a valid and
5 timely Request for Exclusion from the Settlement.

6 1.38 "Plaintiffs" means William Moreno, Lizbeth Gonzalez Velasquez, Sarah Sandoval,
7 Jacob Terry, Mustafa Alkarkhi, and Ralph Hernandez, the named plaintiffs in the Action.

8 1.39 "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the
9 Settlement.

10 1.40 "Released Class Claims" means the claims being released as described in Paragraph 5.2
11 below.

12 1.41 "Released PAGA Claims" means the claims being released as described in Paragraph
13 5.3 below.

14 1.42 "Released Parties" means Defendant.

15 1.43 "Request for Exclusion" means a Class Member's submission of a written request to be
16 excluded from the Class Settlement signed by the Class Member.

17 1.44 "Response Deadline" means forty-five (45) days after the Administrator mails Notice to
18 Class Members and Aggrieved Employees and shall be the last date on which Class Members
19 may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail
20 his or her Objection to the Settlement. Class Members to whom Notice packets are resent after
21 having been returned undeliverable to the Administrator shall have an additional fourteen (14)
22 calendar days beyond the Response Deadline has expired.

23 1.45 "Settlement" means the disposition of the Action effected by this Agreement and the
24 Judgment.

25 1.46 "Workweek" means any week during which a Class Member worked for Defendant for
26 at least one day, during the Class Period.

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1 2. **RECITALS.**

2 2.1 On December 28, 2023, Plaintiffs Moreno and Gonzalez filed a Class Action Complaint
3 alleging causes of action against Defendant for (1) Failure to Pay Minimum and Straight Time
4 Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to
5 Authorize and Permit Rest Periods; (5) Failure to Timely Pay Final Wages at Termination; (6)
6 Failure to Provide Accurate Itemized Wage Statements; (7) Failure to Indemnify Employees for
7 Expenditures; (8) Failure to Produce Requested Employment Records; and (9) Unfair Business
8 Practices.

9 2.2 On February 9, 2024 pursuant to Labor Code §2699.3, subd.(a), Plaintiffs Moreno and
10 Gonzalez gave notice to the LWDA and Defendant that Plaintiffs intended to proceed with a
11 representative action under PAGA (LWDA-CM-1010121-24). On April 15, 2024, after the 65-
12 day statutory period passed, Plaintiffs Moreno and Gonzalez filed a separate complaint for
13 penalties pursuant to Labor Code § 2699, *et seq.*

14 2.3 Mustafa Alkarkhi filed a separate class action complaint on February 20, 2024, and a
15 separate PAGA complaint on April 25, 2025, thereby commencing the actions entitled, *Mustafa*
16 *Alkarkhi v. ABC Phones of North Carolina, Inc.*, Riverside County Superior Court, Case Nos.
17 CVRI2400933 and CVRI2402256.

18 2.4 Jacob Terry filed a separate PAGA complaint on May 14, 2024, thereby commencing
19 the action entitled, *Jacob Terry v. ABC Phones of North Carolina*, Los Angeles County Superior
20 Court, Case No. 24STCV12066 (“Terry Action”).

21 2.5 Ralph Hernandez filed a separate class action complaint on June 5, 2024, and a separate
22 PAGA complaint on August 12, 2024, thereby commencing the actions entitled, *Ralph Hernandez*
23 *v. ABC Phones of North Carolina, Inc.*, Riverside County Superior Court, Case Nos.
24 CVRI2403148 and CVPS2405007.

25 2.6 On August 26, 2024, the Court found the *Moreno* Class and PAGA Actions related with
26 the *Terry* Action as related within the meaning of California Rules of Court.

27 / / /

28 / / /

1 2.7 Defendant denies the allegations in the Actions, denies any failure to comply with the
2 laws identified in the Actions, and denies any and all liability for the causes of action alleged in
3 the Actions.

4 2.8 On April 1, 2025, the Parties participated in an all-day mediation presided over by
5 mediator Gig Kyriacou. The Parties accepted a mediator's proposal on May 14, 2025, and agreed
6 on general settlement terms, which still required further negotiations. The Parties memorialized
7 their agreement in a Memorandum of Understanding on October 17, 2025. For purposes of
8 settlement, the Parties intend to file a consolidated complaint that includes all of the named
9 Plaintiffs and claims in an Operative First Amended Complaint.

10 2.9 In advance of mediation, Class Counsel conducted a thorough investigation into the facts
11 of, and applicable law to, the Actions. Prior to mediation, Plaintiffs obtained and analyzed a
12 representative sampling of time and payroll data for Class Members and the necessary policy
13 documents through informal discovery to properly evaluate the strengths and weakness of the
14 claims and engage in meaningful settlement discussions. Plaintiffs' investigation was sufficient
15 to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794,
16 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 129-130 (2008)
17 ("*Dunk/Kullar*").

18 2.10 The Court has not granted class certification because the Parties engaged in
19 mediation before any class certification.

20 2.11 The Parties, Class Counsel and Defense Counsel represent that they are not aware
21 of any other pending matters or actions asserting claims that will be extinguished or affected by
22 the Settlement.

23 3. **MONETARY TERMS.**

24 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below,
25 Defendant will pay four million four hundred thousand dollars and zero cents (\$4,400,000.00) to
26 fully settle, resolve, and extinguish all claims asserted in the Action, including, without limitation,
27 all claims asserted in the PAGA Notices. The Gross Settlement Amount is non-reversionary and
28 unless ordered by the Court, includes Plaintiffs' Service Payments, Class Counsel's Fees and

Costs, Settlement Administrator's costs, PAGA Penalties settlement amount, payments in settlement of wage claims, including any employee and employer taxes, including the employer FICA, FUTA, and SDI contributions.

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

3.2.1 To Plaintiffs: A Class Representative Service Payment to each Plaintiff of not more than \$10,000.00 (ten thousand dollars and zero cents) in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member. Defendant will not oppose Plaintiffs' request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for the Class Counsel Fees and Litigation Expenses Payments, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than sixteen (16) court days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be \$1,466,666.67 (one million four hundred sixty-six thousand six hundred sixty-six dollars and sixty-seven cents) and a Class Counsel Litigation Expenses Payment for actual costs, not to exceed \$75,000.00 (seventy-five thousand dollars with zero cents). Defendant will not oppose requests for these payments. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees and Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the

1 remainder to the Net Settlement Amount for distribution to Participating Class Members.
2 Released Parties shall have no liability to Class Counsel or any other Plaintiff's counsel arising
3 from any claim to any portion of Class Counsel Fee Payment and/or Class Counsel Litigation
4 Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class
5 Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full
6 responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class
7 Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant,
8 from any dispute or controversy regarding any division or sharing of any of these Payments.
9 Distribution of the approved attorneys' fees shall be made pursuant to Class Counsel's Joint
10 Prosecution Agreement and in accordance with the amounts disclosed to and approved by the
11 Court pursuant to the California Rules of Court.

12 3.2.3 To the Administrator: An Administrator Costs Payment not to exceed \$35,750.00
13 (thirty-five thousand seven hundred fifty dollars and zero cents) except for a showing of good
14 cause and as approved by the Court. To the extent the Administration Costs are less or the Court
15 approves payment of less than \$35,750.00, the Administrator will retain the remainder in the Net
16 Settlement Amount to be distributed to Participating Class Members.

17 3.2.4 To Each Participating Class Member: An Individual Class Payment is calculated by
18 (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all
19 Participating Class Members during the Class Period, and (b) multiplying the result by each
20 individual Participating Class Member's Workweeks.

21 3.2.4.1 Tax Allocation of Individual Class Payments. Twenty percent (20%) of
22 each Participating Class Member's Individual Class Payment will be allocated to the Settlement
23 of wage claims (the "Wage Portion"). The Wage Portion is subject to tax withholding and will be
24 reported on an IRS W-2 Form. The remaining eighty percent (80%) of each Participating Class
25 Member's Individual Class Payment will be allocated to the settlement of claims for interest,
26 reimbursement, and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject
27 to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members
28

1 assume full responsibility and liability for any employee taxes owed on their Individual Class
2 Payment.

3 3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual
4 Class Payments. Non-Participating Class Members will not receive any Individual Class
5 Payments. The Administrator will retain amounts equal to their Individual Class Payments in the
6 Net Settlement Amount for distribution to Participating Class Members on a pro-rata basis.

7 3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of two
8 hundred forty thousand dollars and zero cents (\$240,000.00) to be paid from the Gross Settlement
9 Amount, with 75% (\$180,000.00) allocated to the LWDA PAGA Payment and 25% (\$60,000.00)
10 allocated to the Individual PAGA Payments.

11 3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a)
12 dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties of \$60,000.00
13 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the
14 PAGA Period, and (b) multiplying the result by each individual Aggrieved Employee's PAGA
15 Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on
16 their Individual PAGA Payment.

17 3.2.5.2 If the Court approves PAGA Penalties of less than the amount requested,
18 the Administrator will allocate the remainder to the Net Settlement Amount to be distributed to
19 Participating Class Members. The Administrator will report the Individual PAGA Payments on
20 IRS 1099 Forms.

21 4. **SETTLEMENT FUNDING AND PAYMENTS.**

22 4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its
23 records, Defendant estimated that as of April 1, 2025, there were 5,638 Class Members who
24 collectively worked a total of 321,116 workweeks during the Class Period, and a total of 67,099
25 PAGA Pay Periods during the PAGA Period.

26 4.2 Class Data. Not later than ten (10) days after the Court grants Preliminary Approval of
27 the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a
28 Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must

maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

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

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

4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail. The face of each check shall prominently state the date (180 days after the date of mailing) when the check will be voided ("Void Date"). The Administrator will cancel all checks not cashed by the Void Date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom the Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator

1 may send Participating Class Members a single check combining the Individual Class Payment
2 and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator
3 must update the recipients' mailing addresses using the National Change of Address Database.

4 4.4.2 The Administrator must conduct a Class Member Address Search for all other Class
5 Members whose checks are returned undelivered without USPS forwarding address. Within seven
6 (7) days of receiving a returned check, the Administrator must re-mail checks to the USPS
7 forwarding address provided or to an address ascertained through the Class Member Address
8 Search. The Administrator need not take further steps to deliver checks to Class Members whose
9 re-mailed checks are returned as undelivered. The Administrator shall promptly send a
10 replacement check to any Class Member whose original check was lost or misplaced, requested
11 by the Class Member prior to the Void Date.

12 4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA
13 Payment check is uncashed and canceled after the Void Date, the Administrator shall transmit the
14 funds represented by such checks to the California Controller's Unclaimed Property Fund in the
15 name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of
16 California Code of Civil Procedure Section 384, subd. (b).

17 4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall
18 not obligate Defendant to confer any additional benefits or make any additional payments to Class
19 Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

20 5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the Gross
21 Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual
22 Class Payments (if any), Plaintiffs, Class Members, and Class Counsel will release claims against
23 all Released Parties as follows:

24 5.1 **Plaintiffs' Release.** Plaintiffs discharge Released Parties from all claims,
25 transactions, or occurrences, that occurred during the Class Period, including all claims that were,
26 or reasonably could have been, alleged, based on the facts contained in the Operative Complaint;
27 and claims under the Fair Employment and Housing Act, Americans with Disabilities Act, Title
28 VII of the Civil Rights Act of 1964, the California Labor Code, and all equivalent claims under

1 federal law (“Plaintiffs’ Release”). Plaintiffs’ Release does not extend to any claims or actions to
2 enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability
3 benefits, social security benefits, workers’ compensation benefits that arose at any time, or based
4 on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts
5 or law different from, or in addition to, the facts or law that Plaintiffs now know or believes to be
6 true but agree, nonetheless, that Plaintiffs’ Release shall be and remain effective in all respects,
7 notwithstanding such different or additional facts or Plaintiffs’ discovery of them.

8 5.1.1 Plaintiffs’ Waiver of Rights Under California Civil Code Section 1542. For
9 purposes of Plaintiffs’ Release, Plaintiffs expressly waive and relinquish the provisions, rights,
10 and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

15 5.2 Released Class Claims: All Participating Class Members will release all claims, rights,
16 demands, liabilities, and causes of action, alleged or which could have reasonably been alleged
17 based on the facts alleged in the Operative Complaint, including: (1) failure to pay minimum and
18 straight time wages (pursuant to Cal. Labor Code §§ 204, 1194, 1194.2, 1197 and 1197.1); (2)
19 failure to pay overtime wages (pursuant to Cal. Labor Code §§ 510, 1194, and 1198); (3) failure
20 to provide meal periods (pursuant to Cal. Labor Code §§ 226.7 and 512); (4) failure to authorize
21 and permit rest periods (pursuant to Cal. Labor Code §§ 226.7); (5) failure to timely pay final
22 wages at termination (pursuant to Cal. Labor Code §§ 201-203); (6) failure to provide accurate
23 itemized wage statements (pursuant to Cal. Labor Code §§ 226); (7) failure to indemnify
24 employees for expenditures (pursuant to Cal. Labor Code §§ 2802); (8) failure to produce
25 requested employment records (pursuant to Cal. Labor Code §§ 226, 432, and 1198.5); and (9)
26 unfair business practices (pursuant to Cal. Bus. & Prof. Code §§ 17200, *et seq.*). The enumeration
27 of these specific claims shall neither enlarge nor narrow the scope of *res judicata* based on the
28 claims that were asserted in the Action or could have been asserted in the Action based on the

1 facts and circumstances alleged in the Complaint. The Released Class Claims are those that
2 accrued during the Class Period.

3 5.3 Released PAGA Claims: Plaintiffs, Aggrieved Employees, and the LWDA will release
4 all claims for PAGA civil penalties that are alleged or reasonably could have been alleged based
5 on the facts alleged in the Operative Complaint and in Plaintiff Moreno's and Velasquez's
6 February 2, 2024 PAGA Notice and those filed by Plaintiffs Terry, Alkharki, and Hernandez,
7 including: (1) failure to pay minimum and straight time wages (pursuant to Cal. Labor Code §§
8 204, 210, 510, 1194, 1194.2, 1197 and 1197.1); (2) failure to pay overtime wages (pursuant to
9 Cal. Labor Code §§ 510, 1194 and 1198); (3) failure to provide meal periods (pursuant to Cal.
10 Labor Code §§ 210, 226.7 and 512); (4) failure to authorize and permit rest periods (pursuant to
11 Cal. Labor Code §§ 210 and 226.7); (5) failure to timely pay final wages at termination (pursuant
12 to Cal. Labor Code §§ 201 – 203 and 213(d)); (6) failure to provide accurate itemized wage
13 statements (pursuant to Cal. Labor Code §§ 226 and 226.3); (7) failure to indemnify employees
14 for expenditures (pursuant to Cal. Labor Code § 2802); (8) failure to produce requested
15 employment records (pursuant to Cal. Labor Code §§ 226, 432, and 1198.5); (9) failure to pay all
16 earned wages twice per month and unlawfully withholding accrued wages (pursuant to Cal. Labor
17 Code §§ 204, 210 and 216); (10) failure to maintain accurate records of hours worked and meal
18 periods (pursuant to Cal. Labor Code §§ 1174, and 1174.5); (11) recordkeeping requirement
19 violations (pursuant to Cal. Labor Code §§ 226.6, 558.1, 1174, 1174.5, 1198 and 1199); (12)
20 willful misclassification (pursuant to Cal. Labor Code § 226.8); (13) retaliation (pursuant to Cal.
21 Labor Code § 1102.5); and (14) civil penalties for wage and hour violations (pursuant to Cal.
22 Labor Code § 558). The Released PAGA Claims are those that accrued during the PAGA Period.

23 5.4 Exclusion for Claims lodged by Jacob Terry ("Terry"): Plaintiff Terry and Defendant
24 agree that the releases set out above shall not act as a bar or defense to claims lodged in a pending
25 arbitration entitled *Jacob Terry v ABC Phones*, Signature Resolution Arbitration Case No.
26 QWYYW ("Terry Arbitration"). Only those claims lodged in the Terry Arbitration are excluded
27 from the releases contained in this Agreement, and with the exception of this exclusion, the
28 releases contained in this Agreement shall remain in full force and effect as to Terry.

6. **MOTION FOR PRELIMINARY APPROVAL**. Plaintiffs will prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”).

6.1 **Plaintiffs’ Responsibilities**. Plaintiffs will prepare all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members, and/or the Administrator. In their Declarations, Plaintiffs and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 **Responsibilities of Counsel**. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing the Motion for Preliminary Approval. Class Counsel will obtain a prompt hearing date for the Motion for Preliminary Approval, file the Motion for Preliminary Approval no later than sixteen (16) court days before the hearing, unless otherwise ordered by the Court, and deliver the Court’s Preliminary Approval Order to the Administrator.

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

the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

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

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

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1 for the funding of the GSA. Any interest that accrues on the GSA sums paid into the QSF prior to distribution by the Administrator will become part of the NSA for distribution to Participating Class Members.

7.4 Notice to Class Members.

7.4.1 No later than five (5) calendar days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 (fourteen) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice with Spanish translation substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and

the number of Workweeks and PAGA Pay Periods used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than five (5) calendar days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadlines for Class Members' written objections, challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen days (14) days beyond the forty-five (45) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

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

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion

1 is a letter from a Class Member or his/her representative that reasonably communicates the Class
2 Member's election to be excluded from the Settlement and includes the Class Member's name,
3 address and email address or telephone number. To be valid, a Request for Exclusion must be
4 timely faxed, emailed, or postmarked by the Response Deadline.

5 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails
6 to contain all the information specified in the Class Notice. The Administrator shall accept any
7 Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the
8 person as a Class Member and the Class Member's desire to be excluded. The Administrator's
9 determination shall be final and not appealable or otherwise susceptible to challenge. If the
10 Administrator has reason to question the authenticity of a Request for Exclusion, the
11 Administrator may demand additional proof of the Class Member's identity. The Administrator's
12 determination of authenticity shall be final and not appealable or otherwise susceptible to
13 challenge.

14 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion
15 is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and
16 bound by all terms and conditions of the Settlement, including the Participating Class Members'
17 Release under paragraph 5.2 of this Agreement, regardless of whether the Participating Class
18 Member actually receives the Class Notice or objects to the Settlement.

19 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a
20 Non-Participating Class Member and shall not receive an Individual Class Payment or have the
21 right to object to the class action components of the Settlement. Because future PAGA claims are
22 subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who
23 are Aggrieved Employees are deemed to release the Released PAGA Claims identified in
24 Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

25 7.6 Challenges to Calculation of Workweeks. Each Class Member shall have forty-five (45)
26 days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for
27 Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks
28 and PAGA Pay Periods allocated to the Class Member in the Class Notice. The Class Member

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

7.7 Objections to Settlement.

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

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than forty-five (45) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).

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

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

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish, maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement; Motion for Preliminary Approval; Preliminary Approval Order; Class Notice;

1 Motion for Final Approval; Motion for Class Counsel Fees Payment, Class Counsel Litigation
2 Expenses Payment and Class Representative Service Payment; the Final Approval Order; and the
3 Judgment. The Administrator will also maintain and monitor an email address and a toll-free
4 telephone number to receive Class Member calls, faxes and emails.

5 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
6 promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later
7 than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the
8 Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names
9 and other identifying information of Class Members who have timely submitted valid Requests
10 for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class
11 Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for
12 Exclusion from Settlement submitted (whether valid or invalid).

13 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports
14 to Class Counsel and Defense Counsel that, among other things, tally the number of: Class
15 Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether
16 valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods
17 received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA
18 Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment
19 of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and
20 objections received.

21 7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to
22 address and make final decisions consistent with the terms of this Agreement on all Class Member
23 challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision
24 shall be final and not appealable or otherwise susceptible to challenge.

25 7.8.5 Administrator’s Declaration. Not later than fourteen (14) days before the date by
26 which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the
27 Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable
28 for filing in Court attesting to its due diligence and compliance with all of its obligations under

1 this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices
2 returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the
3 total number of Requests for Exclusion from Settlement it received (both valid or invalid), the
4 number of written objections and attach the Exclusion List. The Administrator will supplement
5 its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible
6 for filing the Administrator's declaration(s) in Court.

7 7.8.6 Final Report by Settlement Administrator. Within ten (10) days after the
8 Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide
9 Class Counsel and Defense Counsel with a final report detailing its disbursements by employee
10 identification number only of all payments made under this Agreement. At least fifteen (15) days
11 before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel
12 and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement
13 of all payments required under this Agreement. Class Counsel is responsible for filing the
14 Administrator's declaration in Court.

15 8. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE**. Based on its records,
16 Defendant estimated there were 5,638 Class Members who collectively worked a total of 321,116
17 Workweeks as of April 1, 2025 and a total of 67,099 PAGA Pay Periods. However, Plaintiffs and
18 Defendant recognize that Workweeks will continue to accrue from April 1, 2025 until Preliminary
19 Approval of the Settlement by the Court. If, on final calculation, the total number of Workweeks
20 is greater than 10% higher than 321,116 Workweeks (i.e. greater than 353,228 Workweeks), then
21 the Gross Settlement Amount will be proportionally increased by the Workweeks worked in
22 excess of this 10% buffer (e.g., if the final number of total workweeks for the entire Settlement
23 Class Period increases by 15% over 321,116 Workweeks, the GSA will increase by 5%). If this
24 provision is triggered so as to increase the Gross Settlement Amount, the Parties agree that the
25 portion of the Gross Settlement Amount allocated to attorneys' fees will increase proportionally
26 such that the total amount of attorneys' fees remains one-third (1/3) of the Gross Settlement
27 Amount after the upward adjustment required by this provision is implemented.

1 9. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the
2 calendared Final Approval Hearing, unless otherwise scheduled by the Court, Plaintiffs will file
3 in Court, a Motion for Final Approval of the Settlement that includes a request for approval of
4 the PAGA settlement under Labor Code section 2699, *former* subd. (i); a Proposed Final Approval
5 Order; and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs shall
6 provide drafts of these documents to Defense Counsel prior to filing the Motion for Final
7 Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or
8 by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final
9 Approval.

10 9.1 **Response to Objections.** Each Party retains the right to respond to any objection raised
11 by a Participating Class Member, including the right to file responsive documents in Court no
12 later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or
13 accepted by the Court.

14 9.2 **Duty to Cooperate.** If the Court does not grant Final Approval or conditions Final
15 Approval on any material change to the Settlement (including, but not limited to, the scope of
16 release to be granted by Class Members), the Parties will expeditiously work together in good
17 faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final
18 Approval. The Court’s decision to award less than the amounts requested for the Class
19 Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation
20 Expenses Payment, and/or Administrator Costs Payment shall not constitute a material
21 modification to the Agreement within the meaning of this paragraph.

22 9.3 **Continuing Jurisdiction of the Court.** The Parties agree that, after entry of Judgment, the
23 Court will retain jurisdiction over the Parties, the Actions, and the Settlement solely for purposes
24 of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration
25 matters, and (iii) addressing such post-Judgment matters as are permitted by law.

26 9.4 **Waiver of Right to Appeal.** Provided the Judgment is consistent with the terms and
27 conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
28 Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective

counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

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

10. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure §384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

11. **ADDITIONAL PROVISIONS.**

11.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint has merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Actions have merit. The Parties agree that class

1 certification and representative treatment is for purposes of this Settlement only. If, for any
2 reason, the Court does grant Preliminary Approval, Final Approval, or enter Judgment, Defendant
3 reserves the right to contest certification of any class for any reason, Defendant reserves all
4 available defenses to the claims in the Actions, and Plaintiffs reserve the right to move for class
5 certification on any grounds available and to contest Defendant's defenses. The Settlement, this
6 Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be
7 admissible in connection with, any litigation (except for proceedings to enforce or effectuate the
8 Settlement and this Agreement).

9 11.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant, and
10 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement
11 is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit
12 another person to disclose, disseminate or publicize, any of the terms of the Agreement directly
13 or indirectly, specifically or generally, to any person, corporation, association, government
14 agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom
15 will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the
16 extent necessary to report income to appropriate taxing authorities; (4) in response to a court order
17 or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government
18 agency. Each Party agrees to immediately notify the other Party of any judicial or agency order,
19 inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant, and Defense
20 Counsel separately agree not to, directly or indirectly, initiate any conversation or other
21 communication, before the filing of the Motion for Preliminary Approval, with any third party
22 regarding this Agreement or the matters giving rise to this Agreement except to respond only that
23 "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's
24 communications with Class Members in accordance with Class Counsel's ethical obligations
25 owed to Class Members.

26 11.3 No Solicitation. The Parties separately agree that they and their respective counsel and
27 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
28 from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability

1 to communicate with Class Members in accordance with Defense Counsel's and Class Counsel's
2 ethical obligations and Class Counsel's fiduciary duties owed to Class Members.

3 11.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
4 together with its attached exhibits shall constitute the entire agreement between the Parties
5 relating to the Settlement, superseding any and all oral representations, warranties, covenants, or
6 inducements made to or by any Party.

7 11.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
8 represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate
9 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate
10 its terms, and to execute any other documents reasonably required to effectuate the terms of this
11 Agreement including any amendments to this Agreement.

12 11.6 Cooperation. The Parties and their counsel will cooperate with each other and use their
13 best efforts, in good faith, to implement the Settlement by, among other things, modifying the
14 Settlement Agreement, submitting supplemental evidence and supplementing points and
15 authorities as requested by the Court. In the event the Parties are unable to agree upon the form
16 or content of any document necessary to implement the Settlement, or on any modification of the
17 Agreement that may become necessary to implement the Settlement, the Parties will seek the
18 assistance of a mediator and/or the Court for resolution.

19 11.7 No Prior Assignments. The Parties separately represent and warrant that they have not
20 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
21 encumber to any person or entity and portion of any liability, claim, demand, action, cause of
22 action, or right released and discharged by the Party in this Settlement.

23 11.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendant nor Defense Counsel are
24 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied
25 upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR
26 Part 10, as amended) or otherwise.

27 / / /

28 / / /

1 11.9 Modification of Agreement. This Agreement, and all parts of it, may be amended,
2 modified, changed, or waived only by an express written instrument signed by all Parties or their
3 representatives, and approved by the Court.

4 11.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure
5 to the benefit of, the successors of each of the Parties.

6 11.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be
7 governed by and interpreted according to the internal laws of the state of California, without
8 regard to conflict of law principles.

9 11.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation
10 of this Agreement. This Agreement will not be construed against any Party on the basis that the
11 Party was the drafter or participated in the drafting.

12 11.13 Confidentiality. To the extent permitted by law, all agreements made, and orders
13 entered during Action and in this Agreement relating to the confidentiality of information shall
14 survive the execution of this Agreement.

15 11.14 Headings. The descriptive heading of any section or paragraph of this Agreement is
16 inserted for convenience of reference only and does not constitute a part of this Agreement.

17 11.15 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement
18 shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
19 weekend or federal legal holiday, such date or deadline shall be on the first business day
20 thereafter.

21 11.16 Notice. All notices, demands, or other communications between the Parties in
22 connection with this Agreement will be in writing and deemed to have been duly given as of the
23 third business day after mailing by United States mail, or the day sent by email or messenger,
24 addressed as follows:
25
26
27
28

To Plaintiff:

John G. Yslas
john.yslas@wilshirelawfirm.com
Diego Aviles (SBN 315533)
diego.aviles@wilshirelawfirm.com
Harry Erganyan (SBN 333091)
harry.erganyan@wilshirelawfirm.com
Mariam Nazaretyan (SBN 334154)
mariam.nazaretyan@wilshirelawfirm.com
Lisa B. Iturriaga (SBN 339678)
lisa.iturriaga@wilshirelawfirm.com
WILSHIRE LAW FIRM
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

To Defendant:

Robert L. Shipley, CA State Bar No. 109420
rshipley@shipleylaw.com
Brandon S. Gray, CA State Bar No. 279881
bgray@shipleylaw.com
ROBERT L. SHIPLEY, APLC
2784 Gateway Road, Suite 104
Carlsbad, CA 92009
Telephone: +1 760 438 5199

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

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

11.19 Binding Agreement. The Parties intend that this Agreement shall be fully enforceable and binding upon all Parties within the provisions of Cal. Civil Proc. § 664.6, and that it shall be

admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Cal. Evid. Code §§ 1122(a)(1) and 1123(b), notwithstanding the confidentiality provisions that otherwise might apply under federal or state law. The Parties further agree and intend that the Los Angeles County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure § 664.6.

IT IS SO AGREED.

By the Parties:

DATED: 2/20/2026

Signed by:



471CB1B6A4534A1...

Plaintiff William Moreno

DATED: 2/20/2026

DocuSigned by:



A9D47ED05A0E4DB...

Plaintiff Lizbeth Gonzalez

DATED: 2/20/2026

Signed by:



FE53DE4D76E9498...

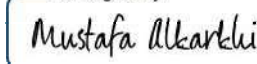
Plaintiff Sarah Sandoval

DATED:

Plaintiff Jacob Terry

DATED: 2/20/2026

DocuSigned by:



E8D3B7B2DD5443B...

Plaintiff Mustafa Alkarkhi

DATED: 02/24/2026

Ralph Hernandez

Plaintiff Ralph Hernandez

DATED: 2/20/2026 | 1:52 PM EST *Elizabeth Martin-Quinn*

Defendant ABC Phones of North Carolina, Inc. dba Victra

By: Elizabeth Martin-Quinn
Position: Chief Financial Officer

admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Cal. Evid. Code §§ 1122(a)(1) and 1123(b), notwithstanding the confidentiality provisions that otherwise might apply under federal or state law. The Parties further agree and intend that the Los Angeles County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure § 664.6.

IT IS SO AGREED.

By the Parties:

DATED: _____

Plaintiff William Moreno

DATED: _____

Plaintiff Lizbeth Gonzalez

DATED: _____

Plaintiff Sarah Sandoval

DATED: 2/23/2026

917
ID F4IUbb5xZC8Us7UJE27yPr

Plaintiff Jacob Terry

DATED: _____

Plaintiff Mustafa Alkarkhi

DATED: _____

Plaintiff Ralph Hernandez

DATED: 2/20/2026 | 1:52 PM EST *Elizabeth Martin-Quinn*

Defendant ABC Phones of North Carolina, Inc. dba Victra

By: Elizabeth Martin-Quinn

Position: Chief Financial Officer

Approved by counsel as to form only:

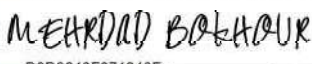
DATED: 2/20/2026

WILSHIRE LAW FIRM

BY: 
John G. Yslas
Diego Aviles
Counsel for Plaintiffs William Moreno, Lizbeth
Gonzalez, and Sarah Sandoval

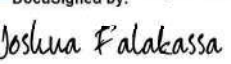
DATED: 2/20/2026

BOKHOUR LAW GROUP, P.C.

BY: 
Mehrdad Bokhour
Attorneys for Plaintiff Mustafa Alkarkhi

DATED: 2/20/2026

FALAKASSA LAW, P.C.

BY: 
Joshua Falakassa
Attorneys for Plaintiff Mustafa Alkarkhi

DATED: 02/24/2026

LAVI & EBRAHIMIAN, LLP

BY: 
Joseph Lavi
Vincent C. Granberry
Attorneys for Plaintiff Ralph Hernandez

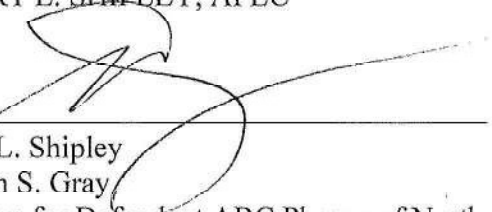
DATED:

MESSRELIAN LAW INC.

BY: _____
Harout Messrelian
Attorneys for Plaintiff Jacob Terry

DATED: 2-20-2026

ROBERT L. SHIPLEY, APLC

BY: 
Robert L. Shipley
Brandon S. Gray
Attorneys for Defendant ABC Phones of North
Carolina, Inc. dba Victra

1 Approved by counsel as to form only:

2 DATED: _____

WILSHIRE LAW FIRM

3 BY: _____

4 John G. Yslas

5 Diego Aviles

6 Counsel for Plaintiffs William Moreno, Lizbeth
7 Gonzalez, and Sarah Sandoval

8 DATED: _____

BOKHOUR LAW GROUP, P.C.

9 BY: _____

10 Mehrdad Bokhour

11 Attorneys for Plaintiff Mustafa Alkarkhi

12 DATED: _____

FALAKASSA LAW, P.C.

13 BY: _____

14 Joshua Falakassa

15 Attorneys for Plaintiff Mustafa Alkarkhi

16 DATED: _____

LAVI & EBRAHIMIAN, LLP

17 BY: _____

18 Joseph Lavi

19 Vincent C. Granberry

Attorneys for Plaintiff Ralph Hernandez

20 DATED: 2/23/2026

MESSRELIAN LAW INC.

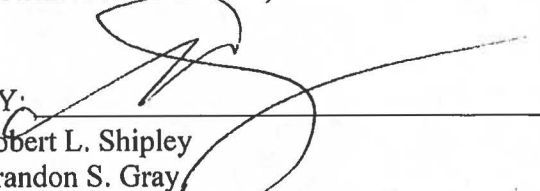
21 BY:  _____
ID TdMJQAefZpWFZGNXyCCyJ913

22 Harout Messrelian

23 Attorneys for Plaintiff Jacob Terry

24 DATED: 2.20.2026

ROBERT L. SHIPLEY, APLC

25 BY:  _____

26 Robert L. Shipley

27 Brandon S. Gray

28 Attorneys for Defendant ABC Phones of North
Carolina, Inc. dba Victra

EXHIBIT A

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

William Moreno, et al. v. ABC Phones of North Carolina, Inc. dba Victra
Case No. 23STCV31717 (Los Angeles County Superior Court)

***The Los Angeles County Superior Court authorized this notice.
It is not junk mail, spam, an advertisement, or solicitation by a lawyer.
Please read it carefully! You are not being sued.***

You may be eligible to receive money from an employee class and a representative action lawsuit (“Action”) against ABC Phones of North Carolina, Inc. dba Victra (“Defendant”) for alleged wage and hour violations. The Actions were filed by former employees, William Moreno, Lizbeth Gonzalez Velasquez, Sarah Sandoval, Jacob Terry, Mustafa Alkarkhi, and Ralph Hernandez, and seek payment of back wages and other relief for a class of all persons currently or formerly employed by Defendant as hourly-paid, non-exempt employees in the State of California (“Class Members”) who worked for Defendant during the Class Period (January 29, 2019 through the date of April 14, 2026); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all Class Members who worked for Defendant during the PAGA Period (February 9, 2023 through the date of April 14, 2026) (“Aggrieved Employees”)

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

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

The above estimates are based on Defendant’s records showing that **you worked [REDACTED] Workweeks during the Class Period and you worked [REDACTED] Pay Periods during the PAGA Period**. If you believe that you worked more during either period, you can submit a challenge by the deadline date.

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

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	Receive money. Give up rights to sue Defendant for claims released in the Settlement.
EXCLUDE YOURSELF	Receive no money from the Class settlement. You will retain the right to pursue your own legal claims against Defendant. However, even if you exclude yourself from the Class settlement, you will still receive a portion of the PAGA settlement and be bound by it if you worked during the PAGA Period.
OBJECT	Write to the Court about why you object to the Settlement. If the Settlement receives Final Approval, you will receive money and give up rights to sue Defendant for claims released in the Settlement.
CHALLENGE YOUR NUMBER OF WORKWEEKS AND/OR PAY PERIODS	Challenge your number of Workweeks or Pay Periods listed in this Notice and provide supporting evidence. If you challenge your workweeks or pay periods, you will still be part of the Settlement and will give up rights to sue Defendant for claims released in the Settlement.

BASIC INFORMATION

1. WHY AM I RECEIVING THIS NOTICE?

Defendant's records indicate that you worked for Defendant at some point(s) between January 29, 2019 through April 14, 2026, and are therefore a member of the Class for purposes of this Settlement.

You received this Notice because you have a right to know about a proposed Settlement of the Action, and about all of your options, before the Court decides whether to finally approve the Settlement. The Settlement will resolve all Class Members' claims, which are described below, during the Class Period. The Settlement will also resolve claims for civil penalties brought under the California Private Attorneys' General Act ("PAGA"). If you are a Class Member, you are also an "Aggrieved Employee" if you worked for Defendant during the "PAGA Period," which is February 9, 2023 through April 14, 2026.

If the Court grants Final Approval to the Settlement, a settlement Administrator appointed by the Court will issue the payments provided for by the Settlement to Class Members. You are encouraged to always keep your address up to date with the Administrator (the Administrator's contact information can be found in Section 12, below).

This Notice package explains the allegations and background regarding the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to receive those benefits.

The Court in charge of the Action is the Los Angeles County Superior Court, and the case is titled, *William Moreno, et al. v. ABC Phones of North Carolina, Inc. dba Victra*, Case No. 23STCV31717. The persons who sued, William Moreno, Lizbeth Gonzalez Velasquez, Sarah Sandoval, Jacob Terry, Mustafa Alkarkhi, and Ralph Hernandez, are the Plaintiffs, and the company sued, ABC Phones of North Carolina, Inc. dba Victra, is the Defendant.

QUESTIONS? CALL **1-800-XXX-XXXX** TOLL FREE

2. WHAT IS THE LAWSUIT ABOUT?

The Plaintiffs in the lawsuit allege wage and hour violations against Defendant for: (1) Failure to Pay Minimum and Straight Time Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods; (5) Failure to Timely Pay Final Wages at Termination; (6) Failure to Provide Accurate Itemized Wage Statements; (7) Failure to Indemnify Employees for Expenditures; (8) Failure to Produce Requested Employment Records; and (9) Unfair Business Practices. In addition, Plaintiffs are seeking to recover civil penalties pursuant to PAGA (“PAGA Penalties”) based on the alleged violations of the California Labor Code listed above. Defendant denies Plaintiffs’ claims and denies any wrongdoing.

3. WHY IS THIS A CLASS ACTION?

In an employment class action, one or more people called “Class Representatives” (in this case, the Plaintiff) sue on behalf of all workers who they contend have similar claims. All of these workers are a Class or Class Members. Bringing one lawsuit, as opposed to many small ones, saves money, time and court resources. The court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

4. WHY IS THERE A SETTLEMENT?

The Court has not decided in favor of the Plaintiff or Defendant on the merits of the claims alleged in the lawsuit. Plaintiff believes Plaintiff would win at trial. Defendant thinks that Plaintiff’s lawsuit would not proceed to a trial and/or that Plaintiff would not win at trial. However, there has been no trial. Instead, in acknowledgement of the risk that both Parties face should the case proceed, the Parties have agreed to a negotiated settlement. This way, all Parties avoid the cost of preparing for and conducting a trial, the risk of losing the right to a trial, and the workers affected by the alleged violations receive compensation. The Settlement represents a compromise and settlement of highly disputed claims. The Plaintiff, as well as Plaintiff’s lawyers (called “Class Counsel”), believes the Settlement is fair and reasonable and in the best interests of all Class Members.

WHO IS INCLUDED IN THE SETTLEMENT?

5. WHO IS INCLUDED IN THE SETTLEMENT?

If you received this Notice, you are a Class Member for settlement purposes. The Class includes: All employees of Defendant who were classified as non-exempt and worked within the State of California at any time from January 29, 2019 through April 14, 2026.

6. ARE THERE EXCEPTIONS TO BEING INCLUDED?

You are not a Class Member if you already have resolved the claims asserted in this lawsuit, whether by settlement or a separate legal proceeding (i.e., another lawsuit).

THE SETTLEMENT BENEFITS—WHAT YOU GET

QUESTIONS? CALL [1-800-XXX-XXXX](tel:1-800-XXX-XXXX) TOLL FREE

7. WHAT DOES THE SETTLEMENT PROVIDE?

Defendant has agreed to pay a Gross Settlement Amount (“GSA”) of \$4,400,000.00 (Four Million Four Hundred Million Dollars and Zero Cents) to settle the lawsuit. From the GSA, Class Counsel will apply to the Court for attorneys’ fees of up to one-third of the GSA, currently \$1,466,666.67 and up to \$75,000.00 in costs; a Class Representative Service Payment of \$10,000.00 to each Plaintiff (for Plaintiffs’ work and efforts prosecuting this case); a PAGA Penalties payment of \$240,000.00 to resolve the PAGA claims; and Settlement Administration Costs to Phoenix Settlement Administrators, Inc., not to exceed \$35,750.00. The exact amount of the Class Counsel’s Fees and Litigation Expenses, Class Representative Service Payment, and Administration Costs will be determined by the Court at the Final Approval hearing. The remaining portion of the Settlement amount, the “Net Settlement Amount” or the “NSA,” is currently estimated to be approximately \$XXXXXXX. The NSA will be apportioned and paid out as Individual Class Payments to the Settlement Class Members, who are the Class Members that do not request to be excluded (“opt out”) of the Settlement.

PAGA Penalties payment: As part of the PAGA portion of the Settlement, the Parties will ask the Court to approve a \$240,000.00 PAGA Penalties payment in settlement of claims for civil penalties under PAGA. As required under PAGA, 75% of the PAGA Penalties payment, or \$180,000.00, will be paid to the California Labor and Workforce Development Agency. The remaining 25% of the PAGA Penalties payment, or \$60,000.00, will be distributed to the Aggrieved Employees as Individual PAGA Payments.

8. HOW MUCH WILL MY PAYMENT BE?

An approximation of your Individual Class Payment appears on the first page of this Notice. If you are also an Aggrieved Employee, an approximation of your Individual PAGA Payment will also appear on the first page of this Notice.

Individual Class Payment: Your Individual Class Payment is based on the number Workweeks you worked, as represented in Defendant’s records, in comparison to the total number of Workweeks worked by all Class Members during the Class Period (January 29, 2019 through April 14, 2026). Eighty percent (80%) of each Class Member’s Individual Class Payment will be treated as a payment in settlement of the alleged claims for penalties and interest and will be reported on a Form 1099 by the Settlement Administrator, and twenty percent (20%) of each Class Member’s Individual Class Payment will be treated as a payment in settlement of alleged claims for unpaid wages. The 20% allocated as unpaid wages will be reduced by applicable payroll tax withholdings and deductions and reported on a Form W-2.

Individual PAGA Payment: If you worked for Defendant from [February 9, 2023 through April 14, 2026] (“PAGA Period”), you are also an “Aggrieved Employee” and will receive an Individual PAGA Payment in addition to your Individual Class Payment. The Individual PAGA Payments are based on the number of PAGA Pay Periods worked by each Aggrieved Employee in comparison to the total amount of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period. One hundred percent (100%) of each Aggrieved Employees’ Individual PAGA Payment will be characterized as penalties and will not be reduced by payroll tax withholdings and deductions. The Individual PAGA Payment will be reported on a Form 1099 by the Settlement Administrator. An approximation of your anticipated Individual PAGA Payment appears on the first page of this Notice.

For the Class Members who are also Aggrieved Employees, their Individual Class Payment will be combined with their Individual PAGA Payment, and they will receive a single check for the combined payments. If a Class Member chooses to opt-out of the Settlement, they will still receive an Individual PAGA Payment, as Aggrieved Employees cannot opt-out of the PAGA portion of the Settlement under California law.

HOW YOU GET A PAYMENT

9. HOW DO I RECEIVE A PAYMENT?

You do not need to do anything to receive a payment. However, if you believe that the number of Workweeks or PAGA Pay Periods you worked is incorrect, please correct it and provide any supporting evidence to the settlement Administrator, whose contact information is listed in Section 12 below.

10. WHEN WOULD I GET MY PAYMENT?

The Court will hold a Final Fairness Hearing on [REDACTED], to decide whether to approve the Settlement. If the Judge approves the Settlement, and anyone objects, there may be appeals. It is always uncertain when these objections and appeals can be resolved and resolving them can take time. If there is no objection, the Effective Date of the Settlement will be the date of entry of the Court's Order granting final approval.

Following the Effective Date, Individual Class Payments and Individual PAGA Payments will be mailed to Participating Class Members and Aggrieved Employees approximately 30 days after the Court's approval of the Settlement becomes final so long as there are no appeals.

Settlement checks should be cashed promptly upon receipt. Proceeds of checks which remain uncashed after 180 days from the date of issuance will be forwarded to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b). If your settlement check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

For an update on the status of payments, please contact the Settlement Administrator (see Section 12).

11. WHAT AM I GIVING UP TO GET A PAYMENT?

If the Court approves this Settlement and unless you exclude yourself, you will become a Participating Class Member, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Defendant concerning the legal claims being resolved in this Settlement. Specifically, you will be giving up or "releasing" the Released Class Claims described below against Defendant and all of Defendant's subsidiaries, affiliates, shareholders, members, agents, predecessors, successors, owners, and assigns ("Released Parties"). The releases become effective once the GSA is fully funded by Defendant.

Released Class Claims: The "Released Class Claims" are all claims, rights, demands, liabilities, and causes of action, alleged or which could have reasonably been alleged based on the facts alleged in the Operative Complaint, including: (1) failure to pay minimum and straight time wages (pursuant to Cal.

Labor Code §§ 204, 1194, 1194.2, 1197 and 1197.1); (2) failure to pay overtime wages (pursuant to Cal. Labor Code §§ 510, 1194, and 1198); (3) failure to provide meal periods (pursuant to Cal. Labor Code §§ 226.7 and 512); (4) failure to authorize and permit rest periods (pursuant to Cal. Labor Code §§ 226.7); (5) failure to timely pay final wages at termination (pursuant to Cal. Labor Code §§ 201-203); (6) failure to provide accurate itemized wage statements (pursuant to Cal. Labor Code §§ 226); (7) failure to indemnify employees for expenditures (pursuant to Cal. Labor Code §§ 2802); (8) failure to produce requested employment records (pursuant to Cal. Labor Code §§ 226, 432, and 1198.5); and (9) unfair business practices (pursuant to Cal. Bus. & Prof. Code §§ 17200, *et seq.*). The enumeration of these specific claims shall neither enlarge nor narrow the scope of *res judicata* based on the claims that were asserted in the Action or could have been asserted in the Action based on the facts and circumstances alleged in the Complaint. The Released Class Claims are those that accrued during the Class Period

Released PAGA Claims: If you an Aggrieved Employee (i.e. if you worked for Defendant during the PAGA Period), you will also release all claims for PAGA civil penalties that are alleged or reasonably could have been alleged based on the facts alleged in the Operative Complaint and in Plaintiff Moreno's and Velasquez's February 2, 2024 PAGA Notice and those filed by Plaintiffs Terry, Alkharki, and Hernandez, including: (1) failure to pay minimum and straight time wages (pursuant to Cal. Labor Code §§ 204, 210, 510, 1194, 1194.2, 1197 and 1197.1); (2) failure to pay overtime wages (pursuant to Cal. Labor Code §§ 510, 1194 and 1198); (3) failure to provide meal periods (pursuant to Cal. Labor Code §§ 210, 226.7 and 512); (4) failure to authorize and permit rest periods (pursuant to Cal. Labor Code §§ 210 and 226.7); (5) failure to timely pay final wages at termination (pursuant to Cal. Labor Code §§ 201 – 203 and 213(d)); (6) failure to provide accurate itemized wage statements (pursuant to Cal. Labor Code §§ 226 and 226.3); (7) failure to indemnify employees for expenditures (pursuant to Cal. Labor Code § 2802); (8) failure to produce requested employment records (pursuant to Cal. Labor Code §§ 226, 432, and 1198.5); (9) failure to pay all earned wages twice per month and unlawfully withholding accrued wages (pursuant to Cal. Labor Code §§ 204, 210 and 216); (10) failure to maintain accurate records of hours worked and meal periods (pursuant to Cal. Labor Code §§ 1174, and 1174.5); (11) recordkeeping requirement violations (pursuant to Cal. Labor Code §§ 226.6, 558.1, 1174, 1174.5, 1198 and 1199); (12) willful misclassification (pursuant to Cal. Labor Code § 226.8); (13) retaliation (pursuant to Cal. Labor Code § 1102.5); and (14) civil penalties for wage and hour violations (pursuant to Cal. Labor Code § 558). The Released PAGA Claims are those that accrued during the PAGA Period.

EXCLUDING YOURSELF FROM THE SETTLEMENT

12. HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

To exclude yourself from the Settlement, you must send the Settlement Administrator a written and signed request for exclusion which must be postmarked no later than 45 days after Class Notice is Mailed. Be sure to include your name, address, and telephone number, and any other information you think would be helpful to the settlement Administrator to identify you. You can send your request for exclusion to the settlement Administrator at:

[ADMINISTRATOR]

William Moreno, et al. v. ABC Phones of North Carolina, Inc. dba Victra

XXXXX

City, State, XXXXX

Email:

QUESTIONS? CALL **1-800-XXX-XXXX** TOLL FREE

If you ask to be excluded from the Settlement, you will not be legally bound by anything that happens in the Action, except as it relates to settlement of the PAGA claim. If you ask to be excluded from the Settlement you will not be able to object to the Settlement and you will not receive an Individual Class Payment, but you will still receive an Individual PAGA Payment if you worked for Defendant during the PAGA Period (February 9, 2023 through April 14, 2026). If you ask to be excluded, you may be able to sue (or continue to sue) Defendant in the future.

13. IF I DON'T EXCLUDE MYSELF, CAN I SUE DEFENDANT FOR THE SAME THING LATER?

No. Unless you exclude yourself, you give up any right to sue Defendant for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion deadline is 45 days after Class Notice is Mailed.

14. IF I EXCLUDE MYSELF, CAN I GET MONEY FROM THIS SETTLEMENT?

No. If you exclude yourself, you will not receive any money from this Settlement. However, if you timely exclude yourself from the Settlement, you will retain the right to pursue your own legal action against Defendant, if you desire.

THE LAWYERS REPRESENTING YOU IN THIS LAWSUIT

15. DO I HAVE A LAWYER IN THIS CASE?

The Court has determined that Wilshire Law Firm, is qualified to represent you and the Class Members in the lawsuit. These lawyers are called Class Counsel and their contact information is listed below. If you want to be represented by your own lawyer, you may hire one at your own expense.

John G. Yslas
john.yslas@wilshirelawfirm.com
Diego Aviles
diego.aviles@wilshirelawfirm.com
Harry Erganyan
harry.erganyan@wilshirelawfirm.com
Mariam Nazaretyan
mariam.nazaretyan@wilshirelawfirm.com
Lisa B. Iturriaga
lisa.iturriaga@wilshirelawfirm.com
WILSHIRE LAW FIRM
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

16. HOW WILL THE LAWYERS BE PAID?

Class Counsel will ask the Court to approve up to 1/3rd of the GSA (currently \$1,466,666.67) for attorneys' fees incurred in investigating the facts, litigating the case, and negotiating the Settlement. Class

QUESTIONS? CALL [1-800-XXX-XXXX](tel:1-800-XXX-XXXX) TOLL FREE

Counsel will also seek Court-approval of up to \$75,000.00 in litigation expenses incurred in this matter. The Court may award Class Counsel less than what they request. Class Counsel will also ask the Court to approve payment to Plaintiffs in the amount of \$10,000.00 each in addition to Plaintiffs' Individual Class Payment and Individual PAGA Payment for the initiative, risk, and time and energy Plaintiffs have spent in service to the Class as the Class Representative. The Court may award the Class Representative less than what is requested.

OBJECTING TO THE SETTLEMENT

You can and have the right to tell the Court you do not agree with the Settlement or some part of it.

17. HOW DO I TELL THE COURT THAT I OBJECT TO THE SETTLEMENT?

If you don't think the Settlement is fair, you can object to some or all of the Settlement. You can either object to the Settlement in person at the Final Approval Hearing or you can submit a written objection. Written objections and notices of intent to appear at the Final Approval Hearing must be mailed to the Settlement Administrator and postmarked on or before [REDACTED], at the following address:

[ADMINISTRATOR]

William Moreno, et al. v. ABC Phones of North Carolina, Inc. dba Victra

XXXXX

City, State, XXXXX

Email:

The written objection should state your name and address and describe all legal and factual reasons that you object to the terms of the Settlement. You should also include or attach any documents upon which your objection is based. If the Court overrules the objection at the Final Approval hearing, the Settlement Agreement will be approved, and you will receive your payment. If you do not submit a written objection, you may still appear at the Final Approval hearing to voice your objection or to otherwise observe the proceedings.

18. WHAT'S THE DIFFERENCE BETWEEN OBJECTING AND REQUESTING EXCLUSION?

Objecting is simply telling the Court that you do not agree with something about the Settlement. You can object only if you stay in the Class.

Requesting exclusion is telling the Court that you do not 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 do not get any money from this Settlement. If you submit both an objection and a request to be excluded from the settlement, the request to be excluded will control and you will not get any money from this settlement.

THE COURT'S FAIRNESS HEARING

The Court will hold a Final Approval Hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you don't have to.

19. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

The Court will hold a Final Approval Hearing at [REDACTED] on [REDACTED] in Department 6 of the Los Angeles County Superior Court located at 312 N. Spring Street, Los Angeles, CA 90012 to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. If there are objections, the Court will consider them at that time. The Court will also be asked to approve the requests for the Class Representative Service Payment and the Class Counsel Fees and Litigation Expenses Payments.

20. DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer questions the Court may have. However, you are welcome to attend. If you send an objection, you do not have to come to the Court to talk about it. As long as you mailed your written objection to the settlement administrator on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

IF YOU DO NOTHING

21. WHAT IF I DO NOTHING AT ALL?

If you do nothing, you will receive a Settlement payment, and you will be bound by the terms of Settlement, which means that you will not be able to start a lawsuit, continue a lawsuit, or be a part of any other lawsuit against the Defendant about the legal issues in the Action.

GETTING MORE INFORMATION

22. HOW DO I GET MORE INFORMATION?

You may contact Class Counsel at the contact information listed above in Section 15 if you have any questions about the Settlement. You may also contact the Court-appointed Settlement Administrator, Phoenix Settlement Administrators, Inc., by calling toll free 1-800-[REDACTED], or you can write to the Administrator at the following address:

[ADMINISTRATOR]

William Moreno, et al. v. ABC Phones of North Carolina, Inc. dba Victra

[REDACTED]

City, State, [REDACTED]

Email: [REDACTED]

PLEASE DO NOT TELEPHONE THE COURT OR ABC PHONES OF NORTH CAROLINA, INC. DBA VICTRA'S COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS. YOU MAY, HOWEVER, CALL CLASS COUNSEL OR THE SETTLEMENT ADMINISTRATOR, LISTED ABOVE.

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

EXHIBIT 6

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

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

WILLIAM MORENO and LIZBETH
GONZALEZ VELASQUEZ, individually, on
behalf of all others similarly situated,

Plaintiff,

vs.

Case No. 23STCV31717
Related Case No.: 24STCV09415

Assigned for All Purposes To:
Hon. Elihu M. Berle, Dept. 6

CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT

ABC PHONES OF NORTH CAROLINA, INC. DBA VICTRA, a North Carolina Corporation; and DOES 1 through 10, inclusive,

Defendants.

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Attorneys for Plaintiff JACOB TERRY

____ This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between ~~plaintiff~~
____ (“Plaintiff”) and defendant ____ (“XYZ”). Plaintiffs, William Moreno, Lizbeth Gonzalez Velasquez, Sarah Sandoval, Jacob Terry, Mustafa Alkarkhi, and Ralph Hernandez (“Plaintiffs”) and Defendant ABC Phones of North Carolina, Inc. dba Victra (“Defendant”). The Agreement refers to ~~Plaintiff~~ Plaintiffs and ~~xyz~~ Defendant collectively as “Parties,” or individually as “Party.”

1. **DEFINITIONS.**

~~1.1 “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against XYZ captioned _____ initiated on _____ and pending in Superior Court of the State of California, County of Los Angeles.~~

1.1 “Actions” means Plaintiffs’ lawsuit alleging class and representative action wage and hour violations against Defendant captioned *William Moreno, et al. v. ABC Phones of North Carolina, Inc. dba Victra*, Case Nos. 23STCV31717 and 24STCV09415 (Los Angeles County Superior Court); *Mustafa Alkarkhi v. ABC Phones of North Carolina, Inc.*, Case Nos. CVRI2400933 and CVRI2402256 (Riverside County Superior Court); *Ralph Hernandez v. ABC Phones of North Carolina, Inc.*, Case Nos. CVRI2403148 and CVPS2405007 (Riverside County Superior Court), and *Jacob Terry v. ABC Phones of North Carolina, Inc.*, Case No. 24STCV12066 (Los Angeles County Superior Court).

1.2 “Administrator” means ____, Phoenix Settlement Administrators, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3 -“Administration ~~Expenses Payment~~ Costs” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4 “Aggrieved Employee” means ~~[e.g., a person employed by XYZ]~~ all persons who worked for Defendant in California and classified as a ___ who worked for XYZ an hourly-paid or non-exempt employee at any time during the PAGA Period~~].~~.

1.5 “Class” means ~~[define class, e.g., all persons employed by XYZ]~~ who worked for Defendant in California and classified as ___ who worked for XYZ an hourly-paid or non-exempt employee at any time during the Class Period~~].~~.

1.6 “Class Counsel” means ___, Wilshire Law Firm, PLC, Bokhour Law Group, P.C., Falakassa Law, PC, Lavi & Ebrahimian, LLP, and Messrelian Law, Inc.

1.7 “Class Counsel Fees Payment” means an award of attorneys’ fees granted to Class Counsel and paid from the Gross Settlement Amount. The Parties have agreed that Plaintiffs will request approval from the Court of up to one third (1/3) of the GSA (currently \$1,466,666.67, one million four hundred sixty-six thousand six hundred sixty-six dollars and sixty-seven cents). Distribution of the approved attorneys’ fees shall be made pursuant to Class Counsel’s Joint Prosecution Agreement and in accordance with the amounts disclosed to and approved by the Court pursuant to the California Rules of Court.

~~1.7~~1.8 “Class Counsel Litigation Expenses Payment” ~~mean~~means the ~~amounts~~amount allocated to Class Counsel for reimbursement of reasonable ~~attorneys’ fees and expenses, respectively, and costs~~ incurred to prosecute the Action~~], not to exceed \$75,000.00 (seventy-five thousand dollars and zero cents) and paid from the Gross Settlement Amount.~~

~~1.8~~1.9 “Class Data” means Class Member identifying information in ~~XYZ’s~~Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of ~~Class Period~~ Workweeks and PAGA Pay Periods.

~~1.9~~1.10 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

~~4.101.11~~ “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods, and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

~~Address database, skip traces, and direct contact by the Administrator with Class Members.~~

~~1.11~~ “Class Notice” means the ~~COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL~~ Court-
approved Notice of Settlement and hearing date for Final Approval, to be

1.12 mailed to Class Members in English ~~[with a Spanish translation, if applicable]~~ in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

~~1.12~~ 1.13 “Class Period” or “Class Settlement Period” means the period from ~~___ to __~~ December 29, 2019 through the date of April 14, 2026 (“Settlement Class Period”).

~~1.13~~ 1.14 “Class ~~Representative~~ Representatives” means the named ~~Plaintiff in the operative complaint~~ Plaintiffs William Moreno, Lizbeth Gonzalez Velasquez, Sarah Sandoval, Jacob Terry, Mustafa Alkarkhi, and Ralph Hernandez in the ~~Action seeking Court approval to serve as a Class Representative~~ Actions.

~~1.14~~ 1.15 “Class Representative Service Payment” or “Enhancement Award” means the payment to the Class Representative for initiating the ~~Action~~ Actions and providing services in support of the Action.

~~1.15~~ 1.16 “Court” means the Superior Court of California, County of Los Angeles.

~~1.16~~ 1.17 “~~XYZ~~ “Defendant”” means named Defendant ~~ABC Phones of North Carolina, Inc. dba Victra.~~

~~1.17~~ 1.18 “Defense Counsel” means Robert L. Shipley and Brandon S. Gray of Robert L. Shipley, APLC.

~~1.18~~ “Effective Date” means the date by ~~when~~ which both of the following have occurred:

1.19 (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

~~1.19~~1.20 “Final Approval” means the Court’s order granting final approval of the Settlement.

~~1.20~~1.21 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

~~1.21~~1.22 “Final Judgment” means the Judgment ~~Entered~~entered by the Court upon ~~Granting~~granting Final Approval of the Settlement.

~~1.22~~1.23 “Gross Settlement Amount” or “GSA” means \$—four million four hundred thousand dollars and zero cents (\$4,400,000.00), which is the total amount XYZDefendant agrees to pay under the Settlement, except as provided in Paragraph 98 below. ~~The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator’s Expenses.~~

~~1.23~~1.24 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

~~1.24~~1.25 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of ~~Workweeks~~PAGA Pay Periods worked during the PAGA Period.

~~1.25~~1.26 “Judgment” means the judgment entered by the Court based upon the Final Approval.

~~1.26~~1.27 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, ~~subdivision (i).~~

~~1.27~~1.28 “LWDA PAGA Payment” means ~~the~~ 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, ~~subdivision~~former subd. (i).

~~1.28~~1.29 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: ~~Individual PAGA Payments, the LWDA PAGA Payment~~PAGA Penalties payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration ~~Expenses~~Costs Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

~~1.29~~1.30 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.31 “Operative Complaint” means the operative First Amended Class Action Complaint filed in the instant action consolidating all plaintiffs and claims into one action.

~~1.30~~1.32 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for ~~XYZ~~Defendant for at least one day during the PAGA Period.

~~1.31~~1.33 “PAGA Period” means the period from ~~to~~ ⁱⁱⁱFebruary 9, 2023, through the date of April 14, 2026.

~~1.32~~1.34 “PAGA” means the Private Attorneys General Act (~~Lab.~~Labor Code, ~~§~~ §§ 2698 et seq.).

~~1.33~~1.35 “PAGA Notice” means ~~Plaintiff’s letter to XYZ and Plaintiffs’ Moreno’s and Gonzalez’s February 9, 2024, letters to~~ the LWDA ~~[and Plaintiff’s letter to XYZ and the LWDA]~~Defendant providing notice pursuant to Labor Code section 2699.3, ~~subdivision (subd.(a).), and those filed by Jacob Terry, Mustafa Alkarkhi, and Ralph Hernandez. Plaintiffs William Moreno and Lizbeth Gonzalez’s PAGA case number is LWDA-CM-1010121-24. Plaintiff Mustafa Alkarkhi’s PAGA case number is LWDA-CM-1012047-24. Plaintiff Jacob Terry’s PAGA case number is LWDA-CM-1011427-24. Plaintiff Ralph Hernandez’s PAGA case number is LWDA-CM-1032323-24.~~

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/ / /

~~1.34~~ ——— “PAGA Penalties” means the total amount of \$240,000 in PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% (\$60,000.00) to the Aggrieved Employees

1.36 (——) and ~~the~~ 75% (\$180,000) to the LWDA ~~(-)~~ in settlement of PAGA claims.

~~1.35~~1.37 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

~~1.36~~1.38 “~~Plaintiff~~Plaintiffs” means William Moreno, Lizbeth Gonzalez Velasquez, Sarah Sandoval, Jacob Terry, Mustafa Alkarkhi, and Ralph Hernandez, the named ~~plaintiff~~plaintiffs in the Action.

~~1.37~~1.39 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

~~1.38~~ “~~Preliminary Approval Order~~” means ~~the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.~~

~~1.39~~1.40 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

~~1.40~~1.41 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.

~~1.41~~ “Released Parties” means ~~XYZ and each of its former and present directors, officers, shareholders, owners, [members], attorneys, insurers, predecessors, successors, assigns [subsidiaries] [affiliates].~~

1.42 “Released Parties” means Defendant.

~~1.42~~1.43 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

~~1.43~~1.44 “~~“Response Deadline”~~” means ~~[e.g., 60]~~forty-five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his, ~~her,~~ or ~~their~~her Objection to the Settlement. Class Members to whom Notice ~~Paekets~~packets are resent after

having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.

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

1.451.46 “Workweek” means any week during which a Class Member worked for XYZDefendant for at least one day, during the Class Period^{iv}.

/ / /

/ / /

2. **RECITALS.**

2.1 — On , Plaintiff ~~commenced this~~ December 28, 2023, Plaintiffs Moreno and Gonzalez filed a Class Action ~~by filing a~~ Complaint alleging causes of action against XYZDefendant for . ~~{The Complaint is the operative~~ (1) Failure to Pay Minimum and Straight Time Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods; (5) Failure to Timely Pay Final Wages at Termination; (6) Failure to Provide Accurate Itemized Wage Statements; (7) Failure to Indemnify Employees for Expenditures; (8) Failure to Produce Requested Employment Records; and (9) Unfair Business Practices.

2.2 On February 9, 2024 pursuant to Labor Code §2699.3, subd.(a), Plaintiffs Moreno and Gonzalez gave notice to the LWDA and Defendant that Plaintiffs intended to proceed with a representative action under PAGA (LWDA-CM-1010121-24). On April 15, 2024, after the 65-day statutory period passed, Plaintiffs Moreno and Gonzalez filed a separate complaint in the Action ~~(the “Operative Complaint.”)~~ ~~{On~~ , Plaintiff filed a [e.g., First Amended Complaint] alleging causes of action against XYZ for . ~~The [e.g., First Amended] Complaint is the operative for penalties pursuant to Labor Code §~~ 2699, et seq.

2.3 Mustafa Alkarkhi filed a separate class action complaint ~~in~~ on February 20, 2024, and a separate PAGA complaint on April 25, 2025, thereby commencing the actions entitled, Mustafa Alkarkhi v. ABC

Phones of North Carolina, Inc., Riverside County Superior Court, Case Nos. CVRI2400933 and CVRI2402256.

2.4 Jacob Terry filed a separate PAGA complaint on May 14, 2024, thereby commencing the action entitled, *Jacob Terry v. ABC Phones of North Carolina*, Los Angeles County Superior Court, Case No. 24STCV12066 (“Terry Action”).

2.5 Ralph Hernandez filed a separate class action complaint on June 5, 2024, and a separate PAGA complaint on August 12, 2024, thereby commencing the actions entitled, *Ralph Hernandez v. ABC Phones of North Carolina, Inc.*, Riverside County Superior Court, Case Nos. CVRI2403148 and CVPS2405007.

2.6 On August 26, 2024, the Court found the *Moreno* Class and PAGA Actions related with the *Terry* Action (the “Operative Complaint”).] XYZas related within the meaning of California Rules of Court.

///

///

2.12.7 Defendant denies the allegations in the Operative ComplaintActions, denies any failure to comply with the laws identified in in the Operative ComplaintActions, and denies any and all liability for the causes of action alleged in the Actions.

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

2.3 On ~~_____ April 1, 2025,~~ the Parties participated in an all-day mediation presided over by ~~_____ mediator Gig Kyriacou. The Parties accepted a mediator’s proposal on May 14, 2025, and agreed on general settlement terms, which led to this Agreement to settle the Action [or describe alternative means] still required further negotiations. The Parties memorialized their agreement in a Memorandum of negotiation].~~

2.8 ~~(describe alternative means)~~ Understanding on October 17, 2025. For purposes of ~~negotiation~~ ~~_____ settlement,~~ the Parties intend to file a consolidated complaint that includes all of the named Plaintiffs and claims in an Operative First Amended Complaint.

2.4 ~~Prior to~~ ☐ ~~In advance of~~ mediation ~~_____~~ ☐ ~~negotiating the Settlement,~~ Plaintiff, Class Counsel conducted a thorough investigation into the facts of, and applicable law to, the Actions. Prior to mediation, Plaintiffs obtained, ~~and analyzed a representative sampling of time and payroll data for Class Members and the necessary policy documents~~ through

2.9 ☐ ~~formal~~ ☐ informal discovery, ~~_____ (documents, testimony and information obtained) _____.~~ Plaintiffs ~~to properly evaluate the strengths and weakness of the claims and engage in meaningful settlement discussions. Plaintiffs’~~ investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc. (1996)* ~~*Ford Motor Co.*~~, 48 Cal.App.4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc. (2008)*, 168 Cal.App.4th 116, 129-130 (2008) (“*Dunk/Kullar*”).

2.52.10 The Court ~~_____ has _____~~ has not granted ~~_____~~ class certification ~~_____ because the Parties engaged in mediation before any class certification.~~

(insert details as needed)

2.62.11 —The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending ~~matter~~matters or ~~action~~actions asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1 —Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, ~~XYZ promises to Defendant will~~ pay \$~~—four million four hundred thousand dollars~~ and ~~no more as zero cents (\$4,400,000.00)~~ to fully settle, resolve, and extinguish all claims asserted in the Action, including, without limitation, all claims asserted in the PAGA Notices. The Gross Settlement Amount ~~[and to separately pay]~~ is non-reversionary and unless ordered by the Court, includes Plaintiffs' Service Payments, Class Counsel's Fees and Costs, Settlement Administrator's costs, PAGA Penalties settlement amount, payments in settlement of wage claims, including any employee and ~~all employer payroll taxes owed on the Wage Portions of the Individual Class Payments.~~ XYZ has no obligation to pay, including the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement.* The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to XYZ. employer FICA, FUTA, and SDI contributions.

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

~~3.2.1~~ —To Plaintiff: Plaintiffs: A Class Representative Service Payment to ~~the Class Representative~~ each Plaintiff of not more than \$~~—(10,000.00 (ten thousand dollars and zero cents))~~ in addition to any Individual Class Payment ~~[and any Individual PAGA Payment]~~ the Class Representative is entitled to receive as a Participating Class Member). ~~XYZ, Defendant~~ will not oppose Plaintiff's Plaintiffs' request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for the Class Counsel Fees ~~Payment~~ and ~~Class~~ Litigation Expenses ~~Payment, Plaintiff Payments, Plaintiffs~~ will seek Court approval for any Class Representative Service Payments no

3.2.1 later than ~~{sixteen (16) court}~~ days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount, to be distributed to Participating Class Members. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. ~~Plaintiff assumes~~Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than ~~___%~~one-third of the Gross Settlement Amount, which is currently estimated to be \$1,466,666.67 (one million four hundred sixty-six thousand six hundred sixty-six dollars and sixty-seven cents) and a Class Counsel Litigation Expenses Payment ~~off for actual costs, not more than \$___.~~XYZ to exceed \$75,000.00 (seventy-five thousand dollars with zero cents). ~~Defendant~~ will not oppose requests for these payments ~~provided that do not exceed these amounts.~~Plaintiff, Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees ~~Payment~~ and ~~Class~~ Litigation Expenses Payment no later than ~~{sixteen (16) court}~~ days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount, for distribution to Participating Class Members. Released Parties shall have no liability to Class Counsel or any other Plaintiff's ~~Counsel~~counsel arising from any claim to any portion ~~any of~~ Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds ~~XYZ~~Defendant harmless, and indemnifies ~~XYZ~~Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments. Distribution of the approved attorneys' fees shall be made pursuant to Class Counsel's Joint Prosecution Agreement and in accordance with the amounts disclosed to and approved by the Court pursuant to the California Rules of Court.

~~3.2.3~~ ~~_____~~ To the Administrator: An Administrator ~~Expenses~~Costs Payment not to exceed

~~3.2.3~~ ~~\$_____~~ \$35,750.00 (thirty-five thousand seven hundred fifty dollars and zero cents) except for a showing of good cause and as approved by the Court. To the extent the Administration ~~Expenses~~Costs are less or the Court approves payment of less than ~~\$_____~~ \$35,750.00, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members.

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

~~(b) multiplying the result by each Participating Class Member's Workweeks.~~

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

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

~~3.2.5~~ To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$ two hundred forty thousand dollars and zero cents (\$240,000.00) to be paid from the Gross Settlement Amount, with 75%

~~3.2.5~~ (\$ 180,000.00) allocated to the LWDA PAGA Payment and 25% (\$ 60,000.00) allocated to the Individual PAGA Payments.

~~3.2.4.1~~ 3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (~~\$ 60,000.00~~) of \$60,000.00 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each individual Aggrieved Employee's PAGA ~~Period~~ Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

~~3.2.4.2~~ 3.2.5.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount ~~to be distributed to Participating Class Members.~~ The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 ~~Class Workweeks and Aggrieved Employee Pay Periods.~~ Based on a review of its records ~~to date, XYZ estimates, Defendant estimated that as of April 1, 2025, there are—were~~ 5,638 Class Members who collectively worked a total of ~~Workweeks~~ 321,116 workweeks during the Class Period, and ~~Aggrieved Employees who worked~~ a total ~~of~~ 67,099 PAGA Pay Periods during the PAGA Period.

4.2 — Class Data. Not later than ~~[e.g., 15]~~ten (10) days after the Court grants Preliminary Approval of the Settlement, XYZDefendant will ~~simultaneously~~ deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. XYZDefendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which XYZDefendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3 — Funding of Gross Settlement Amount. ~~XYZ~~Defendant shall fully fund the Gross Settlement Amount, ~~and also fund the amounts necessary to fully pay XYZ's share of payroll taxes~~ by transmitting the funds to the Administrator no later than ~~{fourteen (14)}~~ days after the Effective Date.

4.4 — Payments from the Gross Settlement Amount. Within ~~{14}~~ten (10) days after ~~XYZ~~Defendant fully funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration ~~Expenses~~Costs Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, ~~postage prepaid.~~ The face of each check shall prominently state the date (~~not less than~~ 180 days after the date of mailing) when the check will be voided ~~(“Void Date”).~~ The Administrator will cancel all checks not cashed by the ~~void date~~Void Date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom the Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are ~~returned~~returned undelivered without ~~United States Postal Service (“USPS”)~~ forwarding address. Within ~~{seven (7)}~~ days of receiving a returned check, the Administrator must re-mail

checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the ~~void date~~Void Date.

4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and ~~cancelled~~canceled after the ~~void date~~Void Date, the Administrator shall transmit the funds represented by such checks ~~to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure section 384, subdivisions (b).~~ to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure section 384, subdivision (b). ~~[or to a Court-approved nonprofit organization or foundation consistent with Code of Civil Procedure section 384, subdivision (b)] ("Cy).~~

Pres Recipient”) _____]. The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient.

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

5. **RELEASES OF CLAIMS.** Effective on the date when XYZDefendant fully funds the ~~entire~~ Gross Settlement Amount and ~~funds~~ all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, ~~Plaintiff (if any), Plaintiffs~~, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 — ~~Plaintiff's~~ Plaintiffs' Release. ~~Plaintiff and his, her, or their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors and assigns generally, release and~~ Plaintiffs discharge Released Parties from all claims, transactions, or occurrences ~~that occurred during the Class Period~~, including, ~~but not limited to:~~

5.1 (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint; and ~~(b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiff's PAGA Notice, [or ascertained during the Action and released under 5.2, below].~~ (“Plaintiffs' the Fair Employment and Housing Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the California Labor Code, and all equivalent claims under federal law” (“Plaintiffs' Release”). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. ~~Plaintiff acknowledges~~ Plaintiffs acknowledge that ~~Plaintiff~~ Plaintiffs may discover facts or law different from, or in addition to, the facts or law that ~~Plaintiff~~ Plaintiffs now ~~knows~~ know or believes to be true but ~~agrees~~ agree,

nonetheless, that ~~Plaintiff's~~Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or ~~Plaintiff's~~Plaintiffs' discovery of them.

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

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

~~5.2 Release by Participating Class Members Who Are Not Aggrieved Employees:~~

~~All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have~~

~~been alleged, based on the Class Period facts stated in the Operative Complaint [and ascertained in the course of the Action] [including, e.g., “(a) any and all claims involving any alleged failure to pay minimum wage; etc.]. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation or claims based on facts occurring outside the Class Period.~~

~~5.3 Release by Non-Participating Class Members Who Are Aggrieved Employees: All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint[,] [and] the PAGA Notice [and ascertained in the course of the Action][including, e.g., “(a) any and all claims involving any alleged failure to pay minimum wage; etc.].~~

5.2 Released Class Claims: All Participating Class Members will release all claims, rights, demands, liabilities, and causes of action, alleged or which could have reasonably been alleged based on the facts alleged in the Operative Complaint, including: (1) failure to pay minimum and straight time wages (pursuant to Cal. Labor Code §§ 204, 1194, 1194.2, 1197 and 1197.1); (2) failure to pay overtime wages (pursuant to Cal. Labor Code §§ 510, 1194, and 1198); (3) failure to provide meal periods (pursuant to Cal. Labor Code §§ 226.7 and 512); (4) failure to authorize and permit rest periods (pursuant to Cal. Labor Code §§ 226.7); (5) failure to timely pay final wages at termination (pursuant to Cal. Labor Code §§ 201-203); (6) failure to provide accurate itemized wage statements (pursuant to Cal. Labor Code §§ 226); (7) failure to indemnify employees for expenditures (pursuant to Cal. Labor Code §§ 2802); (8) failure to produce requested employment records (pursuant to Cal. Labor Code §§ 226, 432, and 1198.5); and (9) unfair business practices (pursuant to Cal. Bus. & Prof. Code §§ 17200, *et seq.*). The enumeration of these specific claims shall neither enlarge nor narrow the scope of *res judicata* based on the claims that were

asserted in the Action or could have been asserted in the Action based on the facts and circumstances alleged in the Complaint. The Released Class Claims are those that accrued during the Class Period.

5.3 Released PAGA Claims: Plaintiffs, Aggrieved Employees, and the LWDA will release all claims for PAGA civil penalties that are alleged or reasonably could have been alleged based on the facts alleged in the Operative Complaint and in Plaintiff Moreno’s and Velasquez’s February 2, 2024 PAGA Notice and those filed by Plaintiffs Terry, Alkharki, and Hernandez, including: (1) failure to pay minimum and straight time wages (pursuant to Cal. Labor Code §§ 204, 210, 510, 1194, 1194.2, 1197 and 1197.1); (2) failure to pay overtime wages (pursuant to Cal. Labor Code §§ 510, 1194 and 1198); (3) failure to provide meal periods (pursuant to Cal. Labor Code §§ 210, 226.7 and 512); (4) failure to authorize and permit rest periods (pursuant to Cal. Labor Code §§ 210 and 226.7); (5) failure to timely pay final wages at termination (pursuant to Cal. Labor Code §§ 201 – 203 and 213(d)); (6) failure to provide accurate itemized wage statements (pursuant to Cal. Labor Code §§ 226 and 226.3); (7) failure to indemnify employees for expenditures (pursuant to Cal. Labor Code § 2802); (8) failure to produce requested employment records (pursuant to Cal. Labor Code §§ 226, 432, and 1198.5); (9) failure to pay all earned wages twice per month and unlawfully withholding accrued wages (pursuant to Cal. Labor Code §§ 204, 210 and 216); (10) failure to maintain accurate records of hours worked and meal periods (pursuant to Cal. Labor Code §§ 1174, and 1174.5); (11) recordkeeping requirement violations (pursuant to Cal. Labor Code §§ 226.6, 558.1, 1174, 1174.5, 1198 and 1199); (12) willful misclassification (pursuant to Cal. Labor Code § 226.8); (13) retaliation (pursuant to Cal. Labor Code § 1102.5); and (14) civil penalties for wage and hour violations (pursuant to Cal. Labor Code § 558). The Released PAGA Claims are those that accrued during the PAGA Period.

5.4 Exclusion for Claims lodged by Jacob Terry (“Terry”): Plaintiff Terry and Defendant agree that the releases set out above shall not act as a bar or defense to claims lodged in a pending arbitration entitled *Jacob Terry v ABC Phones*, Signature Resolution Arbitration Case No. QWYYW (“Terry Arbitration”). Only those claims lodged in the Terry Arbitration are excluded from the releases contained in this Agreement, and with the exception of this exclusion, the releases contained in this Agreement shall remain in full force and effect as to Terry.

6. **MOTION FOR PRELIMINARY APPROVAL.** ~~The Parties agree to jointly~~Plaintiffs will prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) ~~that complies with the Court’s current checklist for Preliminary Approvals.”).~~

6.1 ~~XYZ’s Declaration in Support of Preliminary Approval. Within _____ days of the full execution of this Agreement, XYZ will prepare and deliver to Class Counsel a signed Declaration from XYZ and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator and Cy Pres Recipient. In their Declarations, Defense Counsel and XYZ shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.~~

6.2 ~~Plaintiff’s~~Plaintiffs’ Responsibilities. ~~Plaintiff~~Plaintiffs will prepare ~~and deliver to Defense Counsel~~ all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code ~~section~~Section 2699, ~~subdivisionsubd. (f)(2);~~); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from ~~the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members [and/or the proposed Cy Pres]; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel;~~ (v) a signed declaration from ~~Plaintiff~~Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, ~~[and/or] the Administrator [and/or the proposed Cy Pres];~~ (vi; (v)) a signed declaration from ~~each~~ Class Counsel firm attesting to its competency to represent the Class Members; its timely

6.1 transmission to the LWDA of all necessary PAGA documents (initial notice of violations (~~Lab.Labor~~ Code, § section 2699.3, subd. (a))), Operative Complaint (~~Lab.Labor~~ Code, § section 2699, subd. (l)(1)), this Agreement (~~Lab.Labor~~ Code, § section 2699, subd. (l)(2)); ~~(vii) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (viii)~~ (vi) all facts relevant to any actual or potential conflict of interest with Class Members, and/or the Administrator ~~and/or the Cy-Pres Recipient.~~ In their Declarations, ~~Plaintiff~~ Plaintiffs and Class Counsel ~~Declaration~~ shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.36.2 — Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing ~~and filing the Motion for Preliminary Approval no later than [30] days after the full execution of this Agreement; obtaining.~~ Class Counsel will obtain a prompt hearing date for the Motion for Preliminary Approval; ~~and for appearing in, file the Motion for Preliminary Approval no later than sixteen (16) court days before the hearing, unless otherwise ordered by the Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering, and deliver~~ the Court's Preliminary Approval Order to the Administrator.

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

7. SETTLEMENT ADMINISTRATION.

7.1 — Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators, Inc. to serve as the Administrator and

verified that, as a condition of appointment,

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

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

7.3 ~~——~~Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1 for the funding of the GSA. Any interest that accrues on the GSA sums paid into the QSF prior to distribution by the Administrator will become part of the NSA for distribution to Participating Class Members.

7.4 Notice to Class Members.

7.4.1 —No later than ~~three (3) business~~five (5) calendar days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, ~~PAGA Members~~Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

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

7.4.3 —Not later than ~~{3}~~businessfive (5) calendar days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 —The deadlines for Class Members’ written objections, ~~Challenges~~challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional ~~{fourteen days~~(14)} days beyond the ~~{60}~~forty-five (45) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

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

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 — Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than ~~[60]~~forty-five (45) days after the Administrator mails the Class Notice (plus an additional ~~[fourteen (14)]~~ days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her/~~their~~ representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

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

~~7.5.3~~ — Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' ~~Releases~~Release under ~~Paragraph~~paragraph 5.2 ~~and~~

~~7.5.3~~ ~~5.3~~ of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 — Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees

are deemed to release the ~~claims~~Released PAGA Claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

~~5.3 of this Agreement and are eligible for an Individual PAGA Payment.~~

~~7.6~~ Challenges to Calculation of Workweeks. Each Class Member shall have ~~{60}~~forty-five (45) days after the Administrator mails the Class Notice (plus an additional ~~{fourteen (14)}~~ days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods ~~(if any)~~ allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The

7.6 Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to the calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

7.7 Objections to Settlement.

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

7.7.2 —Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present ~~oral~~verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than ~~{60}~~forty-five (45) days after the Administrator's mailing of the Class Notice (plus an additional ~~{fourteen (14)}~~ days for Class Members whose Class Notice was re-mailed).

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

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

7.8.1 —Website, Email Address and Toll-Free Number. The Administrator will establish ~~and~~ maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement; ~~;~~ Motion for

Preliminary Approval,~~the~~; Preliminary Approval,~~the~~ Order; Class Notice,~~the~~; Motion for Final Approval,~~the~~; Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment;~~;~~ the Final Approval Order; and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

~~7.8.2~~ Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than ~~five (5)~~ days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion

7.8.2 (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

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

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

7.8.5 — Administrator’s Declaration. Not later than ~~fourteen (14)~~ days before the date by which ~~Plaintiff is~~ Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.

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

~~8. CLASS SIZE ESTIMATES [and ESCALATOR CLAUSE]. Based on its records, XYZ estimates that, as of the date of this Settlement Agreement, (1) there are _____ Class Members and _____ Total Workweeks during the Class period and (2) there were~~

Aggrieved Employees who worked Pay Periods during the PAGA Period.^{viii}

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

8. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** Based on its records, Defendant estimated there were 5,638 Class Members who collectively worked a total of 321,116 Workweeks as of April 1, 2025 and a total of 67,099 PAGA Pay Periods. However, Plaintiffs and Defendant recognize that Workweeks will continue to accrue from April 1, 2025 until Preliminary Approval of the Settlement by the Court. If, on final calculation, the total number of Workweeks is greater than 10% higher than 321,116 Workweeks (i.e. greater than 353,228 Workweeks), then the Gross Settlement Amount will be proportionally increased by the Workweeks worked in excess of this 10% buffer (e.g., if the final number of total workweeks for the entire Settlement Class Period increases by 15% over 321,116 Workweeks, the GSA will increase by 5%). If this provision is triggered so as to increase the Gross Settlement Amount, the Parties agree that the portion of the Gross Settlement Amount allocated to attorneys’ fees will increase proportionally such that the total amount of attorneys’ fees remains one-third (1/3) of the Gross Settlement Amount after the upward adjustment required by this provision is implemented.

~~10.9.~~ **MOTION FOR FINAL APPROVAL.** Not later than [sixteen (16)] court days before the calendared Final Approval Hearing, Plaintiffunless otherwise scheduled by the Court, Plaintiffs will file in Court, a ~~motion~~Motion for ~~final approval~~Final Approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, ~~subdivision (1);former subd. (i);~~ a Proposed Final Approval Order; and a proposed Judgment (collectively “Motion for Final Approval”). ~~Plaintiff~~Plaintiffs shall provide drafts of these documents to Defense Counsel ~~not later than [seven] days~~

prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

~~10.19.1~~ 10.19.1 — Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later ~~that~~ ~~{than~~ five ~~(5)~~ court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

~~10.29.2~~ 10.29.2 — Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administrator ~~Expenses~~ Costs Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

~~10.39.3~~ 10.39.3 — Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, ~~Action~~ the Actions, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

~~10.4~~ 10.4 — Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees

9.4 Payment and Class Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

~~10.59.5~~ —Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and ~~entry~~Entry of Judgment, sharing, on a 50-50 basis, any additional Administration ~~Expenses~~Costs reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

~~11.10.~~ AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure ~~section-§~~384, the Parties will work together in good faith to jointly submit ~~and~~ a proposed amended judgment.

~~12.11.~~ ADDITIONAL PROVISIONS.

~~12.11.1~~ —No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims.

Nothing in this Agreement is intended or should be construed as an admission by XYZDefendant that any of the allegations in the Operative Complaint ~~have~~has merit or that XYZDefendant has any liability for any claims asserted; nor should it be intended or construed as an admission by ~~Plaintiff~~Plaintiffs that XYZ'sDefendant's defenses in the ~~Action~~Actions have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason, the Court does grant Preliminary Approval, Final Approval, or enter Judgment, XYZDefendant reserves the right to contest certification of any class for any ~~reasons, and XYZ~~reason, Defendant reserves all available defenses to the claims in the ~~Action~~Actions, and ~~Plaintiff reserves~~Plaintiffs reserve the right to move for class certification on any grounds available and to contest XYZ'sDefendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

~~12.2~~ Confidentiality Prior to Preliminary Approval. ~~Plaintiff~~Plaintiffs, Class Counsel, ~~XYZ~~Defendant, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency.

11.2 Each Party agrees to immediately notify ~~each~~the other Party of any judicial or agency order, inquiry, or subpoena seeking such information. ~~Plaintiff~~Plaintiffs, Class Counsel, ~~xyz~~Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, ~~any~~-with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

~~12.3~~11.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Defense Counsel's and Class Counsel's ethical obligations and Class Counsel's fiduciary duties owed to Class Members.

~~12.4~~11.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

~~12.5~~11.5 — Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by ~~Plaintiff~~Plaintiffs and ~~XYZ~~Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

~~12.6~~11.6 — Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

~~12.7~~11.7 ~~—~~No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered₁ or purported to assign, transfer₁ or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action₁ or right released and discharged by the Party in this Settlement.

~~12.8~~11.8 ~~—~~No Tax Advice. Neither ~~Plaintiff~~Plaintiffs, Class Counsel, ~~XYZ~~Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

~~—~~/ / /

/ / /

~~12.9~~11.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed₁ or waived only by an express written instrument signed by all Parties or their representatives₁ and approved by the Court.

~~12.10~~11.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

~~12.11~~11.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the ~~State~~state of California, without regard to conflict of law principles.

~~12.12~~11.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

~~12.13~~11.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

~~12.14~~ ~~Use and Return of Class Data~~. ~~Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by XYZ in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or California Rules of Court rule. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Class Data received from XYZ unless, prior to the Court's discharge of the Administrator's obligation, XYZ makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.~~

~~12.15~~11.14 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

~~12.16~~11.15 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

~~12.17~~11.16 Notice. All notices, demands, or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

John G. Yslas
john.yslas@wilshirelawfirm.com
Diego Aviles (SBN 315533)
diego.aviles@wilshirelawfirm.com
Harry Erganyan (SBN 333091)
harry.erganyan@wilshirelawfirm.com
Mariam Nazaretyan (SBN 334154)
mariam.nazaretyan@wilshirelawfirm.com
Lisa B. Iturriaga (SBN 339678)
lisa.iturriaga@wilshirelawfirm.com
WILSHIRE LAW FIRM
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

To ~~xyz~~ Defendant:

Robert L. Shipley, CA State Bar No. 109420
rshipley@shipleylaw.com
Brandon S. Gray, CA State Bar No. 279881
bgray@shipleylaw.com
ROBERT L. SHIPLEY, APLC
2784 Gateway Road, Suite 104
Carlsbad, CA 92009
Telephone: +1 760 438 5199

~~12.18~~11.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or by email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

~~12.19~~11.18 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement ~~that~~ pursuant to ~~Code of Civil Procedure~~CCP section 583.330 to extend the date to bring a case to trial under ~~Code of Civil Procedure~~CCP section 583.310 for the entire period of this settlement process.

11.19 For-Binding Agreement. The Parties intend that this Agreement shall be fully enforceable and binding upon all Parties within the provisions of Cal. Civil Proc. § 664.6, and that it shall be admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Cal. Evid. Code §§ 1122(a)(1) and 1123(b), notwithstanding the confidentiality provisions that otherwise might apply under federal or state law. The Parties further agree and intend that the Los Angeles County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure § 664.6.

IT IS SO AGREED.

By the Parties:

DATED: _____

Plaintiff ~~_____ For XYZ~~ William Moreno

~~(date)~~

DATED: _____

Plaintiff Lizbeth Gonzalez

DATED: _____

Plaintiff Sarah Sandoval

DATED: _____

Plaintiff Jacob Terry

DATED: _____

Plaintiff Mustafa Alkarkhi

DATED: _____

Plaintiff Ralph Hernandez

DATED: _____

Defendant ABC Phones of North Carolina, Inc. dba Victra

By: Elizabeth Quinn Marting

Position: Chief Financial Officer

Approved by counsel as to form only:

DATED: _____ WILSHIRE LAW FIRM

BY: _____

John G. Yslas

Diego Aviles

Counsel for Plaintiff _____ Counsel Plaintiffs William Moreno,
Lizbeth Gonzalez, and Sarah Sandoval

DATED: _____ BOKHOUR LAW GROUP, P.C.

BY: _____

Mehrdad Bokhour

Attorneys for XYZ Plaintiff Mustafa Alkarkhi

(date)

1 DATED: _____ FALAKASSA LAW, P.C.

2

3 BY: _____

4 Joshua Falakassa

Attorneys for Plaintiff Mustafa Alkarkhi

5 DATED: _____ LAVI & EBRAHIMIAN, LLP

6 BY: _____

7 Joseph Lavi

Vincent C. Granberry

Attorneys for Plaintiff Ralph Hernandez

8

9 DATED: _____ MESSRELIAN LAW INC.

10 BY: _____

11 Harout Messrelian

Attorneys for Plaintiff Jacob Terry

12 DATED: _____ ROBERT L. SHIPLEY, APLC

13

14 BY: _____

15 Robert L. Shipley

Brandon S. Gray

16 Attorneys for Defendant ABC Phones of North

17 Carolina, Inc. dba Victra

EXHIBIT 7

Evette Padilla

From: no-reply@formassembly.com
Sent: Friday, February 27, 2026 1:57 PM
To: Evette Padilla
Subject: Thank you for your Proposed Settlement Submission

02/27/2026 01:57:13 PM

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

Item submitted: Proposed Settlement

On 02/27/2026 01:57:13 PM your Proposed Settlement was successfully processed for case number LWDA-CM-1010121-24

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website:

https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate_Attorneys_General_Act.htm&data=05%7C02%7Cevette.padilla%40wilshirelawfirm.com%7C2a04c01e45a24540da5508de764b327e%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639078262516769282%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiwlLjAuMDAwMCIsIlAiOiJXaW4zMilslkFOljoiTWVpbiIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=xet5GXKEmC4AhFwtdK%2BSrnWf5R3Gfw9UpNasEk%2F0mOY%3D&reserved=0