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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE

ARMANDO DE LA CRUZ, individually, and on behalf of other members of the general public similarly situated and on behalf of other aggrieved employees pursuant to the California Private Attorneys General Act;

Plaintiff,

vs.

ROYAL PLYWOOD COMPANY, LLC, a Delaware limited liability company; and DOES 1 through 100, inclusive,

Defendants.

Case No.: 24STCV09460
(*Related Case No*. 24NWCV02386)

Honorable Timothy Patrick Dillon
Department 15

CLASS ACTION

DECLARATION OF BRIAN J. ST. JOHN IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT

[Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement; Declaration of Proposed Class Representative (Armando De La Cruz); and [Proposed] Order filed concurrently herewith]

Hearing Date:	January 13, 2026
Hearing Time:	10:00 a.m.
Department:	15
Complaint Filed:	April 15, 2024
FAC Filed:	October 1, 2025
Trial Date:	None Set

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DECLARATION OF BRIAN J. ST. JOHN

I, Brian J. St. John, hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am a member of Lawyers *for* Justice, PC, attorneys of record for Plaintiff Armando De La Cruz ("Plaintiff"). The facts set forth in this declaration are within my personal knowledge or based on information and belief, and if called as a witness, I could and would competently testify thereto.

PROCEDURAL HISTORY

2. On February 7, 2024, Plaintiff provided written notice by certified mail to the California Labor and Workforce Development Agency ("LWDA") and the employer of the specific provisions of the California Labor Code that were alleged to be violated, including the facts and theories to support the alleged violations (the "Original PAGA Notice"). On April 15, 2024, Plaintiff provided an amended written notice to the LWDA (the "Amended PAGA Notice"). Aside from confirmation of receipt of the PAGA Notices, the LWDA did not respond to the PAGA Notices. Marked and attached hereto as "**EXHIBIT 2**" is a true and correct copy of Plaintiff's Original PAGA Notice. Marked and attached hereto as "**EXHIBIT 3**" is a true and correct copy of Plaintiff's Amended PAGA Notice.

3. On April 15, 2024, Plaintiff commenced the above-caption lawsuit by filing the Class Action Complaint for Damages in the Superior Court for the County of Los Angeles (the "Class Action").

4. On August 1, 2024, Plaintiff filed a separate Complaint for Enforcement Under the Private Attorneys General Act, Cal. Lab. Code § 2698, *Et Seq*. in the Superior Court for the County of Los Angeles, Case No. 24NWCV02386 (the "PAGA Action") (together with the Class Action, the "Actions").

5. On October 11, 2024, Defendant Royal Plywood Company, LLC ("Defendant") filed its Answer to both Plaintiff's Class Action Complaint for Damages in the Class Action and Complaint for Enforcement Under the Private Attorneys General Act, Cal. Lab. Code § 2698, *Et Seq*. in the PAGA Action.

6. On November 14, 2024, the Court deemed the Actions related, designated the Class

Action as the lead case, and reassigned the PAGA Action to Department 15 of the above-titled Court for all further proceedings.

7. On October 1, 2025, Plaintiff filed the First Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *Et Seq*., ("Operative Complaint"), thereby adding, *inter alia*, Plaintiff's PAGA claim to the Class Action.

THE PROPOSED SETTLEMENT

8. Marked and attached hereto as "**EXHIBIT 1**" is a true and correct copy of the Class Action and PAGA Settlement Agreement ("Settlement," "Agreement," or "Settlement Agreement") entered into by and between Plaintiff, individually and on behalf of all others similarly situated and other aggrieved employees, on the one hand, and Defendant, on the other hand (together, the "Parties"). The Parties and their counsel have approved the proposed Notice of Class Action Settlement and Hearing Date for Final Court Approval ("Class Notice"), which is attached to the Settlement Agreement as "**Exhibit A**" and respectfully request that the Court approve it as well.

9. The Settlement provides for a Gross Settlement Amount of $1,250,000.00 to be paid in a single payment on a non-reversionary basis. The Net Settlement Amount is the Gross Settlement Amount less the following amounts, subject to approval by the Court: Class Counsel Fees Payment of up to $412,500.00 (if the Gross Settlement Amount remains $1,250,000.00) and Class Counsel Litigation Expenses Payment not to exceed $25,000.00 to Class Counsel, Class Representative Service Payment to Plaintiff of $7,500.00, Administration Expenses Payment to the Administrator not to exceed $10,000.00, and the PAGA Penalties of $70,000.00. Assuming that the amounts allocated under the Settlement toward these payments are awarded by the Court, the Net Settlement Amount that will be available for distribution to Participating Class Member is currently $725,000.00. Additionally, twenty-five percent (25%) of the PAGA Penalties (i.e., Individual PAGA Payments), which is $17,500.00 out of $70,000.00, will be distributed to the Aggrieved Employees for their respective portion of the Individual PAGA Payments. The Gross Settlement Amount will be fully distributed in accordance with the terms of the Settlement and

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there is no reversion to Defendant.

10. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees in an amount of up to one-third (1/3) of the Gross Settlement Amount (i.e., $412,500.00, if the Gross Settlement Amount remains $1,250,000.00) and expenses and costs of not more than $25,000.00, which will be paid out of the Gross Settlement Amount, subject to approval by the Court. It should be noted that Class Counsel has borne all of the risks and costs of litigation and will not receive any compensation until recovery is obtained. A description of the qualifications of Class Counsel, the work performed by Class Counsel, and the results achieved by Class Counsel in this matter can be found in paragraphs 18 through 28, *infra*.

11. The Settlement Agreement provides for payment of up to $7,500.00 to Plaintiff as a Class Representative Service Payment, to be paid out of the Gross Settlement Amount subject to approval by the Court. Plaintiff spent considerable time and effort to produce relevant documents and past employment records and to provide the facts and evidence necessary to attempt to prove the allegations. Plaintiff was available whenever Class Counsel needed him and actively tried to obtain information that would benefit the Class. Accordingly, it is appropriate and just for Plaintiff to receive a Class Representative Service Payment, in addition to his individual class payment, for his services on behalf of the Class, Aggrieved Employees, and the State of California.

12. The Parties have agreed to retain Phoenix Class Action Administration Solutions, ("Administrator") to handle the notice and settlement administration process. The Parties respectfully request that the Court appoint Phoenix Class Action Administration Solutions to handle these procedures and serve as the Administrator. Defendant will provide the Administrator with the Class Data, and the Administrator will calculate each Class Member's estimated share of the Net Settlement Amount ("Individual Class Payment") and each Aggrieved Employee's estimated *pro rata* share of the twenty-five percent (25%) portion of the PAGA Penalties. The Administrator will be responsible for printing, distributing, and tracking the Class Notice and other documents for the Settlement, calculating and distributing payments due under the Settlement, issuing 1099 and W-2 IRS Forms and undertaking all required tax reporting, filings, withholdings, and remittances, providing necessary reports and declarations, and other duties and responsibilities

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set forth here to process the Settlement. Administration Expenses Payment is currently estimated not to exceed $10,000.00 and will be paid out of the Gross Settlement Amount, subject to approval of the Court.

13. Under the Settlement Agreement, Defendant is responsible for any employer-side tax obligations associated with the Gross Settlement Amount and will deposit that amount into the settlement fund in addition to the Gross Settlement Amount. Each Participating Class Member's Individual Class Share will be allocated twenty percent (20%) to settlement of wage claims ("Wage Portion") and eighty percent (80%) to interest, penalties, and non-wage damages ("Non-Wage Portion"). The Administrator will withhold the employee's share of taxes and withholdings with respect to the wages portion of the Individual Class Shares.

CONDITIONAL CERTIFICATION OF THE PROPOSED CLASS IS APPROPRIATE

14. **Ascertainability:** The proposed Class is defined as all current and former hourly-paid or non-exempt employees of Defendant in California employed during the Class Period, which is time period from April 15, 2020 through the sooner of (a) date of the Court's preliminary approval of class settlement, (b) December 17, 2025, or if applicable, (c) the Alternate End Date.

15. **Numerosity:** Based on data provided by Defendant, the Class is estimated to be approximately 253 individuals who worked an estimated total of 26,940 workweeks.

16. **Commonality:** Based on investigation and information discovered, Class Counsel believes that there is sufficient evidence to support the allegations made in the lawsuit, including the allegations that Defendant, with respect to Plaintiff, Class Members, and Aggrieved Employees, *inter alia*, failed to properly pay overtime and minimum wages and associated premium pay, failed to provide compliant meal and rest periods and to pay associated premium pay, failed to timely pay wages during employment and upon termination of employment, failed to provide compliant wage statements, failed to maintain requisite payroll records, and failed to reimburse necessary business expenses, and thereby engaged in unfair business practices in violation of California Business and Professions Code section 17200, *et seq*., and conduct giving rise to civil penalties recoverable under the Private Attorneys General Act of 2004 (California Labor Code sections 2698, et seq.). Plaintiff also asserted that Class Members were expected to

perform similar job duties and were subject to the same or similar operations and employment policies, practices, and procedures. Additionally, Plaintiff asserted that Defendant's recordkeeping practices with respect to Plaintiff, Class Members, and Aggrieved Employees were substantially the same during the time period at issue. As a result of said alleged uniform practices, Plaintiff claims that the Class Members were not paid all of the compensation that were owed to them by Defendant. Thus, in Class Counsel's view, it is clear that the outcome of this litigation would be determined by Defendant's uniform operations and employment practices, policies, and procedures that Plaintiff alleges applied across its hourly-paid or non-exempt employees in California during the relevant time period.

17. **Adequacy and Typicality:** Plaintiff undertook the responsibilities of representing a class action against his former employer. Plaintiff spent considerable time and effort to produce relevant documents and past employment records and to provide the facts and evidence necessary to attempt to prove the allegations. Plaintiff was available whenever Class Counsel needed him and actively tried to obtain information that would benefit the Class. Plaintiff has no interests that are adverse to the Class. Plaintiff was employed by Defendant during the Class Period and subject to the same alleged violations and the same policies, practices, and procedures. Plaintiff took on the challenge and risk of commencing and maintaining the actions, and he has not yet received any monetary benefit for his service to date. Plaintiff put his own interests aside and brought a publicly filed lawsuit against an employer not just for his own benefit, but, instead, on behalf of other hourly-paid employees and the State of California.

EXPERIENCE AND ADEQUACY OF LAWYERS *for* JUSTICE, PC

18. For over a decade, Lawyers *for* Justice, PC has almost exclusively focused on the prosecution of consumer and employment class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. Currently, Lawyers *for* Justice, PC is the attorney of record in well over a dozen employment-related putative class actions in both state and federal courts in the State of California. Lawyers *for* Justice, PC is comprised of attorneys who focus on litigating complex wage-and-hour class and Private Attorneys General Act ("PAGA") representative actions. Lawyers *for* Justice, PC has successfully litigated cases

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involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. During a relatively short time, in association with other law firms, Lawyers *for* Justice, PC has recovered millions of dollars on behalf of thousands of individuals in California.

19. Edwin Aiwazian is the Managing Member and Shareholder of Lawyers for Justice, PC. He received his Bachelor of Arts degree from Pepperdine University in April of 1999 and earned a Juris Doctor degree from Pepperdine University School of Law in May of 2004. He has extensive formal training in dispute resolution and negotiation from the Straus Institute for Dispute Resolution as part of its Masters in Dispute Resolution degree program. In addition, he has previously served as a pro bono mediator for the Los Angeles County Superior Court. In October of 2000, he obtained a Litigation Paralegal Certificate from the UCLA Extension Program. During the summer of 2000, he studied Legal Writing at Harvard University. From approximately September 2002 to approximately December 2002, he served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the United States Court of Appeals for the Ninth Circuit. From approximately June 2002 to approximately August 2002, he served as a Judicial Extern to the Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District. In December of 2004, he obtained a license to practice law from the California State Bar. Since in or around October of 2008, through his work at Lawyers for Justice, PC, he has almost exclusively focused on the prosecution of consumer and employment class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. While employed by Lawyers for Justice PC, he has argued over one hundred (100) motions, taken or defended over one hundred fifty (150) depositions, prepared dozens of expert witnesses for deposition or trial, and attended over one hundred seventy-five (175) mediations. Together with other attorneys at the firm, and in many cases in conjunction with co-counsel, he has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. Under his supervision, Lawyers for Justice, PC has successfully obtained class certification by contested motion practice in approximately sixteen (16) cases in the last decade, and litigated over 1,000 class action or representative action cases.

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20. Arby Aiwazian is a Member and Shareholder of Lawyers for Justice, PC. He received his Bachelor of Arts degree from University of California, Los Angeles and graduated magna cum laude. He earned a Juris Doctor degree, cum laude, from Southwestern Law School. From approximately May 2007 to approximately July 2007, he served as a Judicial Extern to the Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District. From approximately August 2008 to approximately December 2008, he served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the United State Court of Appeals for the Ninth Circuit. He was admitted to practice law in California in 2010. He is admitted to practice before all courts of the State of California and all United States District Courts in the State of California. He has worked on many wage-and-hour class action and representative action cases, taking the lead in taking and defending depositions, arguing motions, and attending mediations. He has played an integral role in preparing matters for class certification, including and not limited to, successful certification of a class in *Upson v. Sur La Table* (Los Angeles County Superior Court Case No. BC424012), *Montazemi v. Regus Management* (Los Angeles County Superior Court Case No. BC478769), and *Abdulhaqq v. Urban Outfitters* (Alameda County Superior Court Case No. RG13680477). Under his supervision, dozens of class action or representative action cases have resulted in settlements that have been granted court approval. He has handled over one hundred and fifty (150) mediations and has worked on over two hundred and fifty (250) class action or representative action cases which have resulted in settlement.

21. Joanna Ghosh is a Managing Member of Lawyers *for* Justice, PC. She received a Bachelor of Arts degree from California State University, Los Angeles in 2006, a Master of Science degree from the London School of Economics in 2007, and a Juris Doctor degree from Georgetown University Law Center in 2010. She is admitted to practice in California (since 2010) and in New York (since 2013) and She is also admitted to practice in all U.S. District Courts in California, the U.S. Bankruptcy Court for the Central District of California, and the U.S. Supreme Court. She has taken and defended dozens of depositions and successfully handled motion practice in class action cases regarding discovery (including and not limited to, regarding class contact information), class certification (both contested class certification and stipulated class

certification), arbitration agreements, coordination, and intervention. She has successfully handled briefing and oral arguments on appeal and obtained notable decisions regarding Private Attorneys General Act claims and employer efforts to compel arbitration of such claims, e.g., *Roberto Betancourt v. Prudential Overall Supply* (Cal. Ct. App., Mar. 7, 2017) 9 Cal.App.5th 439, cert. denied (Cal., May 24, 2017), cert. denied (U.S., Dec. 11, 2017) and *ZB, N.A. v. Superior Court* (2019) 8 Cal.5th175. She has significant experience with class actions, including and not limited to working on cases to obtain class certification through contested motion practice and working on cases in the post-certification stage (e.g., post-certification discovery, appeal, statistical sampling and pilot study, and trial preparation in conjunction with co-counsel in a case involving a certified class consisting of approximately 2,600 individuals). She has extensive experience with class action and/or representative action settlements, and has handled this process in over five hundred (500) cases. Under her, Edwin Aiwazian, and Arby Aiwazian's supervision, Lawyers *for* Justice, PC has handled the class certification and court approval process for hundreds of class action and/or representative action matters that have successfully resolved. Joanna Ghosh is a member of the California Employment Lawyers Association and, on several occasions, has been a speaker regarding topics in wage and hour law at the organization's continuing legal education events.

22. I am a Member of Lawyers *for* Justice, PC. I received my Bachelor's degree from the University of California, San Diego in 2010 and earned my Juris Doctor degree from the University of California, Berkeley, School of Law in 2013. I was admitted to practice law in California in 2015. I am admitted to practice before all courts of the State of California and all federal district courts in the State of California. I have worked on many wage and hour class action and PAGA representative matters, and my work has included, inter alia, researching and drafting pleadings, administrative notice exhaustion, drafting, negotiating, and finalizing stipulations and settlement agreements, engaging in motion practice, claims evaluation and analysis, and making court appearances. Prior to working at Lawyers *for* Justice, PC, I spent several years working for a boutique employment and labor law firm representing employers, and, in 2019 and 2020, I was employed as general counsel for a DMHC licensed discount dental plan.

THE SETTLEMENT AND SUMMARY OF WORK PERFORMED

23. The effectiveness of Lawyers *for* Justice, PC ("Class Counsel") in prosecuting this matter has translated into tangible monetary benefits in the following respects: (1) Class Members, Aggrieved Employees, and the State of California recover over a reasonably short period of time as opposed to waiting additional years for the same, or possibly worse, result; (2) a guaranteed result that compares favorably with other similar class action settlements of this type given the strengths and weaknesses of the cases; and (3) significant savings in Class Counsel's fees and/or costs that would have only increased significantly had the cases progressed through certification, trial, and/or appeals.

24. Class Counsel has litigated the cases for over a year and was actively preparing the matters for class certification and trial. The Parties have engaged in extensive settlement negotiations and participated in a full-day mediation conducted by the Hon. Daniel J. Buckley (Ret.), a well-respected mediator experienced in mediating complex labor and employment matters. In the course of the lawsuits and in connection with the mediation and settlement negotiations, the Parties exchanged extensive information and engaged in discussions regarding their evaluations of the cases and various aspects of the cases, including but not limited to, the risks and delays of further litigation, the law relating to off-the-clock theory, meal and rest periods, PAGA representative claims, and state wage-and-hour law and enforcement, as well as the evidence produced and analyzed, and the possibility of appeals, among other things. During all settlement discussions, the Parties conducted their negotiations at arm's length in an adversarial position. Arriving at a settlement that was acceptable to all Parties was not easy. Defendant and its counsel felt strongly about its ability to prevail on the merits, and Plaintiff and Class Counsel believed that they would be able to prevail at trial. After conducting investigations, formal and informal discovery, exchange of information, extensive settlement negotiations, and with the aid of the mediator's evaluation, the Parties have agreed that the matter is well-suited for settlement given the legal issues relating to Plaintiff's principal claims, as well as the costs and risks to both sides that would attend further litigation. The Settlement is a fair, reasonable, and adequate resolution of the Released Class Claims of Plaintiff and Participating Class Members, and of the

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Released PAGA Claims of Plaintiff and the State of California, with respect to Aggrieved Employees, Released Parties.

25. Prior to reaching the Settlement, Class Counsel investigated the veracity, strength, and scope of the claims, and was preparing the actions for class certification and trial. Plaintiff conducted significant investigation and formal and informal discovery regarding the facts of the case, including and not limited to, the exchange, review, and analysis of a large volume of documents and data obtained from Defendant, Plaintiff, and other sources. The volume of data and documents that Class Counsel reviewed and analyzed included and was not limited to: Plaintiff's and other Class Members' employment records, a detailed sampling of Class Members' time and pay data, Defendant's Employee Handbook, company policy acknowledgements (including but not limited to Employee Safety Handbook Acknowledgment Form, 401(k) Profit Sharing Plan Enrollment Acknowledgment, For Your Benefit: California Programs for the Unemployed Pamphlet, Acknowledgement of Receipt of COVID-19 Safety Plan, Job Description Acknowledgement), earning statements, internal memoranda, job descriptions, new hire packet/orientation checklist, Defendant's operations and employment practices, forms (including but not limited to Agreement to Authorize Timecard Entries, Agreement to Waive Second Meal Period), procedures, and policies (including but not limited to Use of Personal Cellular Telephone Policy, Mobile Device Policy, Rights of Victims of Domestic Violence, Sexual Assault and Stalking, Harassment, Discrimination, Retaliation Prevention Policy), among other information and documents. Class Counsel had the opportunity to interview Plaintiff and other Class Members to gather facts and to identify potential witnesses. Counsel for the Parties met and conferred on numerous occasions, e.g., to discuss issues relating to the pleadings, discovery, and the production of documents and data prior to the mediation. Class Counsel drafted Plaintiff's pleadings and mediation brief and prepared for and attended court proceedings, settlement negotiations, and the mediation, among other tasks.

26. Counsel for the Parties have also invested time researching and investigating the applicable law, which is constantly evolving as it relates to certification, representative PAGA claims, off-the-clock theory, arbitration agreements, regular rate, rounding, donning and doffing,

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meal and rest periods, state wage-and-hour law and enforcement, Plaintiff's claims and damages, and Defendant's defenses thereto, as well as facts discovered. Based on Class Counsel's analysis, the result achieved in the lawsuits is fair, adequate, and reasonable.

27. Class Counsel is aware of the defenses and position of Defendant, but believes that Plaintiff could potentially obtain class certification despite many obstacles. Plaintiff and Class Counsel have also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation. Plaintiff further recognizes the burdens of proof necessary to establish liability for the claims asserted in the lawsuit, Defendant's defenses, and the difficulties in establishing entitlement to monetary recovery. Plaintiff and Class Counsel have also considered the Parties' settlement discussions, as well as the evaluations of the mediator, who is experienced and well-regarded in complex labor and employment matters.

28. Defendant, on the other hand, denied and continues to deny any liability and wrongdoing of any kind associated with the claims alleged in the lawsuits, and further denies that the lawsuits are appropriate for class treatment or representative adjudication for any purpose other than this Settlement. Defendant believes that it would ultimately succeed in the matter. Both sides have also had the opportunity to interview witnesses and review documents and information relating to Plaintiff's, Class Members', and Aggrieved Employees' employment with Defendant, and Defendant's operations and employment policies, practices, and procedures. The Parties also reviewed and analyzed a large volume of documents and data to determine the potential value and strength of the claims. The available information enabled Class Counsel to assess and value the class and PAGA claims and prepare violation, damages, and penalties analyses models. Accordingly, counsel for the Parties have conducted adequate investigation and discovery to be sufficiently informed of the nature and extent of the Class Members' claims, and to enable both sides to fully evaluate the Settlement for its fairness, adequacy, and reasonableness. The Settlement takes into account the strengths and weaknesses of each side's position and the uncertainty of how the case might have concluded at trial and/or appeals.

ESTIMATE OF THE VALUE OF THE CLAIMS

29. Plaintiff's action alleged that Defendant has violated the California Labor Code and

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Industrial Welfare Commission Wage Orders by engaging in a uniform policy and systematic scheme of wage abuse against Plaintiffs and the Class Members, including *inter alia*, failing to properly compensate overtime and minimum wages, failing to provide compliant meal and rest periods and associated premium pay, failing to timely pay wages during employment, failing to timely pay wages upon termination and associated waiting-time penalties, failing to provide compliant wage statements, failing to maintain requisite payroll records, and failing to reimburse necessary business expenses. Plaintiff further contends that Defendant's aforementioned conduct constitutes unfair business practices (under the California Business and Professions Code ("UCL") and gives rise to civil penalties recoverable under PAGA.

30. Based on data provided by Defendant and extrapolated by Plaintiff, the total number of Class Members during the period from April 15, 2020 through April 30, 2025 ("relevant time period") was estimated to be approximately 253 individuals who worked an estimated total of 26,940 workweeks with an average hourly rate of pay of $24.67.

31. Plaintiff contended that Defendant required Class Members to perform work before clocking-in and after clocking-out of their scheduled shifts and during meal and rest periods. Plaintiff contended that Defendant implemented a policy and practice which only permitted Class Members to record their scheduled hours instead of all actual time worked and failed to compensate Class Members for time worked off-the-clock. Plaintiff contended that Defendant discouraged the recordation of overtime hours and required Class Members to perform work off-the-clock. Plaintiff contended that Defendant failed to include all shift differential pay/commissions/non-discretionary bonuses/non-discretionary performance pay in the calculation of the regular rate when paying overtime wages. Plaintiff also contended that meal and rest periods were regularly missed, later, shortened, and/or interrupted, that Class Members were required to remain available by telephone during rest breaks, readily available to assist with work tasks, and that Defendant failed to properly pay premiums for all non-compliant meal and rest periods. Additionally, Plaintiff alleged that Defendant intentionally and willfully failed to pay Plaintiff and Class Members all wages due to them while they were employed by Defendant, within the time period permissible under California law, and that Defendant failed to pay all wages due upon

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termination, within the time period permissible under California law, thereby triggering waiting-time penalties under California Labor Code section 203. Plaintiff contended that, based on the violations described herein, the wage statements provided by Defendant and the payroll records kept by Defendant were inaccurate. Finally, Plaintiff contended that Defendant failed to reimburse Plaintiff and the other Class Members for necessary business expenses, including, but not limited to, the costs associated with the usage of personal cell phones for work duties, and costs associated with the purchase of bottled water, towels, soap, and other similar items to perform their work duties.

32. Class Counsel considered Defendant's arguments, e.g., that the employer's practices, policies, and procedures complied with the law, that Defendant paid Class Members over the California minimum wage for all hours worked, that Defendant correctly paid overtime for all overtime hours worked, that no waiting-time penalties were due because waiting-time penalties only arise from "willful" failure to pay wages due and owing at the time of termination or resignation, that Plaintiff and Class Members suffered no actual injury from the alleged wage statement violations and that this alleged violation and the alleged recordkeeping violation are entirely derivative of the other causes of action, and that a policy and practice of reimbursing employees for necessary business-related expenses exists. Class Counsel also considered the likelihood of Plaintiff's success in establishing that any of provisions of the California Labor Code, on which the civil penalties under PAGA and the UCL claim are predicated, were violated and that such violations were injurious and/or warranted imposition of civil penalties. Class Counsel also considered that trial courts have wide discretion when assessing penalties under PAGA, and that it could be determined that individual liability issues predominate (e.g., due to purported variation in shifts, locations, job duties, and other circumstances which could raise individualized questions of fact) and could pose challenges to certification, manageability, and the merits of Plaintiff's claims.

33. Class Counsel considered information, data, and documents obtained from Plaintiff, Defendant, and other sources, and created violation, damages, and penalties valuations and models prior to reaching the Settlement. Based thereon, Plaintiff calculated the potential value of the claims. However, the potential value of each claim assumed an exposure based on the above-

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captioned action having been certified and Plaintiff having proven all elements of the claims and entitlement to monetary recovery in the above-captioned action (on a class-wide and a representative basis), despite risks associated with obtaining and maintaining certification and demonstrating manageability, risks to establishing liability and any underlying California Labor Code and IWC Wage Order violations and damages, and significant additional costs that would have to be incurred in order to certify the above captioned action and establish liability, damages, and penalties amounts in the cases. Plaintiff faced the risk of the Court finding that individualized issues predominate, such that the cases are not suitable for class treatment. While Class Counsel disagreed with Defendant's arguments and factual contentions, Class Counsel recognized the circumstances and realities of the cases, applicable case law and regulations, the extensive time and pay records produced by Defendant, the costs and expenses of further litigation and certification, and risks to recovery, and applied appropriate discounts for them. Class Counsel calculated the potential and realistic values of each claim as follows:

a. Failure to Pay Overtime Wages: The potential value of this claim was estimated to be $1,994,098.80 (26,940 workweeks x 2 hours of unpaid overtime wages x overtime hourly rate of $37.01, which is based on the average hourly rate of $24.67). At this juncture, a discount of 30% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to $1,395,869.16), a discount of 50% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $697,934.58), and a discount of 65% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to $244,277.10).

b. Failure to Pay Minimum Wages: The potential value of this claim was estimated to be $664,609.80 (26,940 workweeks x 1 hour of unpaid minimum wages x average hourly rate of $24.67). At this juncture, a discount of 40% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to $398,765.88, a discount of 60% was applied to

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account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $159,506.35), and a discount of 70% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to $47,851.91).

c. Failure to Provide Compliant Meal Periods and Associated Premiums: The potential value of this claim was estimated to be $1,993,829.40 (26,940 workweeks x 3 meal period premium x average hourly rate of $24.67). At this juncture, a discount of 30% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to $1,395,680.58), a discount of 50% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $697,840.29), and a discount of 65% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to $244,244.10).

d. Failure to Provide Compliant Rest Periods and Associated Premiums: The potential value of this claim was estimated to be $664,609.80 (26,940 workweeks x 1 rest period premiums x average hourly rate of $24.67). At this juncture, a discount of 40% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to $398,765.88), a discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $159,506.35), and a discount of 70% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to $47,851.91).

e. Failure to Timely Pay Wages During Employment: The value of this claim is considered as a part of the valuation of the PAGA claim contained infra.

f. Failure to Timely Pay Wages After Termination (and Waiting-Time Penalties):

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Based on information and data provided by Defendant, it was estimated that approximately 96 Class Members had been terminated during the three-year statute of limitations (i.e., from April 15, 2021). Assuming that these individuals were not timely paid all wages due to them upon termination, the potential value of waiting-time penalties was estimated to be $568,396.80 collectively (96 individuals x [30 days x hourly rate of $24.67 x 8 hours]), or approximately $5,920.80 per individual. At this juncture, a discount of 40% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to $341,038.08), a discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $136,415.23), and a discount of 80% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to $27,283.05).

g. Failure to Provide Compliant Wage Statements: The potential value of this claim was calculated to be $575,250.00 ([163 initial violations x $50 statutory penalty] + [5,671 subsequent violations x $100 statutory penalty]). At this juncture, a discount of 40% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to $345,150.00), a discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $138,060.00), and a discount of 80% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to $27,612.00).

h. Failure to Maintain Payroll Records: Arguably, civil penalties would only be recoverable by the Labor Commissioner, therefore, the value of this claim is considered as a part of the valuation of the PAGA claim contained infra.

i. Failure to Reimburse Necessary Business Expenses: The potential value of this claim was estimated to be $$161,640.00 (26,940 workweeks x $6.00 unreimbursed

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business expenses). At this juncture, a discount of 40% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to $96,984.00), a discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $38,793.60), and a discount of 80% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to $7,758.72).

j. PAGA Penalties: The amount of civil penalties at issue, which the Court could determine whether or not to assess and whether or not to reduce based on the facts and circumstances of the case (to avoid an award that is unjust, arbitrary and oppressive, or confiscatory, pursuant to California Labor Code section 2699(e)(2)), were estimated to be approximately $289,000.00 (170 aggrieved employees estimated to have worked during one-year statutory period x $1,700 civil penalties). At this juncture a discount of 0% was applied to account for the risks associated with possible bifurcation of discovery and/or trial (bringing the value of this claim closer to $289,000.00), a discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $115,600.00), and a discount of 60% was applied to account for the risks associated with the Court's discretion to reduce civil penalties and obtaining an award of civil penalties (bringing the value of this claim closer to $46,240.00).

34. The foregoing discussion confirms that the amount of the Settlement is adequate in light of Plaintiff’s allegations and causes of action, the evidence at issue with respect to those allegations and causes of action, and legal and factual arguments and circumstances which pose challenges to certification, manageability, merits, and monetary recovery. The conclusion to be drawn from the foregoing analysis is that neither class certification, manageability, liability, nor the ability to adjudicate and/or recover monetary relief on a class-wide or representative basis is clear-cut, which is why the Parties elected to settle this matter. Class Counsel also recognized that

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additional discounts could be made to the risk-adjusted value to account for the costs and expenses associated with further litigation and the present value of obtaining a settlement now as opposed to monetary recovery, if any, that may be obtained in the future after further litigation. Class Counsel recognized the circumstances and realities of the case, applicable case law and regulations, and risks to recovery and applied appropriate discounts.

35. Class Counsel submits that the Settlement is fair, reasonable, and adequate, and is in the best interest of Plaintiff, the Class, and the State of California. Class Counsel further submits that the Settlement is within an acceptable range of recovery for this type of litigation given the strengths and weaknesses of the cases, the inherent costs and risks of further litigation, and the costs and risks associated with class certification, representative adjudication, trial, and/or appeals.

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

Executed on this 14th day of November 2025, at Glendale, California.

____
Brian J. St. John

EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement ("Settlement Agreement" or "Agreement") is made by and between plaintiff Armando De La Cruz ("Plaintiff"), and defendant Royal Plywood Company, LLC ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

This Settlement Agreement sets forth the Parties' class and PAGA representative action settlement to resolve the Actions (as defined below), Plaintiff's PAGA Notices (as defined below), and to release the claims as set forth herein.

1. DEFINITIONS.

1.1. "Actions" means, collectively, the Plaintiff's lawsuit alleging wage and hour violations against Defendant entitled *Armando De La Cruz v. Royal Plywood Company, LLC*, Case No. 24STCV09460 initiated on April 15, 2024 and pending in Superior Court of the State of California, County of Los Angeles (the "Class Action"), and Plaintiff's lawsuit alleging a claim for civil penalties under PAGA against Defendant entitled *Armando De La Cruz v. Royal Plywood Company, LLC*, Case No. 24NWCV02386, filed on August 1, 2024 and also pending in Superior court of the State of California, County of Los Angeles (the "PAGA Action").

1.2. "Administrator" means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. "Administration Expenses Payment" or "Administration Expenses" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses for administration of the Settlement, in accordance with the Administrator's "not to exceed" bid or quote submitted to the Court in connection with preliminary approval of the Settlement.

1.4. "Aggrieved Employees" means all current and former hourly-paid or non-exempt employees of Defendant in California employed during the PAGA Period.

1.5. "Class" means all current and former hourly-paid or non-exempt employees of Defendant in California employed during the Class Period.

1.6. "Class Counsel" means Joanna Ghosh, Brian J. St. John, and Erica Stepanian from Lawyers *for* Justice, PC.

1.7. "Class Counsel Fees Payment" means the amount allocated to Class Counsel for reasonable attorneys' fees for Class Counsel's litigation and resolution of the Actions.

1.8. "Class Counsel Litigation Expenses Payment" means the amount allocated to Class Counsel for reimbursement of actual costs and expenses incurred to prosecute the Actions.

1.9. "Class Data" means a list of Class Member identifying information in Defendant's possession, which Defendant shall diligently and in good faith compile from their records, including each Class Member's full name, last-known mailing address, Social Security number, number of Workweeks, and number of Pay Periods.

1.10. "Class Member" means a member of the Class.

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 CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.

1.13. "Class Period" means the contiguous time period from April 15, 2020 through the sooner of (a) date of the Court's preliminary approval of class settlement, (b) December 17, 2025, or if applicable, (c) the Alternate End Date.

1.14. "Class Representative" means Plaintiff Armando De La Cruz.

1.15. "Class Representative Service Payment" means the payment to the Class Representative for initiating the Actions and providing services in support of the Actions.

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

1.17. "Court" means the Superior Court of California, County of Los Angeles.

1.18. "Defendant" means named Defendant Royal Plywood Company, LLC.

1.19. "Defense Counsel" means Daniel Parker Jett and Elizabeth Y. Mu of Freeman, Mathis & Gary, LLP.

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

1.21. "Final Approval Order" means the Court's order granting final approval of the Settlement.

1.22. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

1.23. "Gross Settlement Amount" means $1,250,000.00, which is the total amount Defendant agrees to pay under the Settlement, except as provided in Section 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses, the Class Representatives Service Payment, and the Administration Expenses Payment.

1.24. "Individual Class Share" means a Class Member's *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to receive for the Class Settlement, calculated according to the number of Workweeks worked during the Class Period.

1.25. "Individual PAGA Payment" means an Aggrieved Employee's *pro rata* share of 25% of the PAGA Penalties that an Aggrieved Employee is eligible to receive for the PAGA Settlement, calculated according to the number of Pay Periods worked during the PAGA Period.

1.26. "Individual Class Payment" means the net payment of each Participating Class Member's share of the Net Settlement Amount, after reduction for the employee's share of taxes and withholdings with respect to the wage portion of the Individual Class Share.

1.27. "Judgment" means the judgment entered by the Court based upon the Final Approval Order.

1.28. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.29. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.30. "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, the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The Net Settlement Amount is the portion of the Gross Settlement Amount to be paid to Participating Class Members as Individual Class Shares.

1.31. "Objection" means a Participating Class Member's submission of a written objection to the Class Settlement, which must: (a) contain the case name and number of one of the Actions; (b) contain the full name, mailing address, signature, and last four digits of the Social Security number of the objecting Participating Class Member; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be submitted by email or mail to the Administrator at the specified email address and/or mailing address, emailed or postmarked on or before the Response Deadline.

1.32. "PAGA Period" means the contiguous time period from February 7, 2023 through the sooner of (a) the date of the Court's preliminary approval of the settlement, (b) December 17, 2025, or if applicable, (c) the Alternate End Date.

1.33. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. *et seq*.).

1.34. "PAGA Notices" mean Plaintiff's February 7, 2024 and April 15, 2024 letters to Defendant and the LWDA, providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.35. "PAGA Penalties" means the amount of $70,000.00 allocated to PAGA civil penalties from the Gross Settlement Amount, with 25% apportioned to the Aggrieved Employees ($17,500.00) and 75% apportioned to LWDA ($52,500.00) (i.e., LWDA PAGA Payment) in settlement of the Released PAGA Claims.

1.36. "PAGA Settlement" means the settlement and resolution of the Released PAGA Claims.

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

1.38. "Pay Period" means any pay period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.39. "Preliminary Approval" means the entry of the Court's Preliminary Approval Order.

1.40. "Preliminary Approval Order" means the Court's Order Granting Preliminary Approval of the Class Action and PAGA Settlement.

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

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

1.43. "Released Parties" means: Defendant and any of its former and/or current parents, subsidiaries, affiliates, and any other entities that could be considered to have jointly employed the Class Members or Aggrieved Employees as well as each of their officers, directors, managers, owners, executives, partners, executive-level employees, shareholders, agents, attorneys, and any other predecessors, successors, assigns, or legal representatives.

1.44. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement, which must: (a) contain the case name and number of one of the Actions; (b) contain the full name, mailing address, signature, and last four digits of the Social Security number of the Class Member requesting exclusion; (c) clearly state that the Class Member does not wish to be included in the Class Settlement; and (d) be submitted by email or mail to the Administrator at the specified email address and/or mailing address, emailed or postmarked on or before the Response Deadline.

1.45. "Response Deadline" means sixty (60) days after the Administrator mails the Class Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) email or mail Requests for Exclusion, (b) email or mail Objections, or (c) email or mail challenges to Workweeks and/or Pay Periods. Class Members to whom Class Notices are resent after having been returned as undeliverable to the Administrator on or before the Response Deadline, shall have the Response Deadline extended an additional fourteen (14) days.

1.46. "Settlement" means the disposition of the Actions effected by this Agreement and the Judgment.

1.47. "Workweek" means any week during which a Class Member worked for Defendant for at least one hour, during the Class Period.

2. RECITALS

2.1. On April 15, 2024, Plaintiff commenced the Class Action by filing a Class Action Complaint for Damages ("Class Complaint") alleging causes of action against Defendant for: (1) unpaid overtime; (2) unpaid meal period premiums; (3) unpaid rest period premiums; (4) unpaid minimum wages; (5) failing to timely pay final wages; (6) failing to timely pay wages during employment; (7) failing to issue compliant wages statements; (8) failing to keep requisite payroll records; (9) unreimbursed business expenses; and (10) violations of California Business & Professions Code §§ 17200, *et seq*.

2.2. On August 1, 2024, Plaintiff commenced the PAGA Action by filing a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *et seq.* alleging an additional cause of action against Defendant under PAGA ("PAGA Complaint"). On October 14, 2024, the Class Complaint and the PAGA Complaint were deemed related by the Court, with the Class Complaint being the lead case.

2.3. On October 1, 2025, Plaintiff filed a First Amended Complaint in the lead case, *Armando De La Cruz v. Royal Plywood Company, LLC*, Case No. 24STCV09460, adding a PAGA cause of action to the Class Complaint ("Operative Complaint"). The First Amended Complaint is the operative pleading in this matter.

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

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

2.6. On April 30, 2025, the Parties participated in a full-day mediation presided over by Honorable Daniel J. Buckley (Ret.), a respected mediator in wage and hour class and representative actions, which led to this Agreement to settle the Action.

2.7. Prior to mediating and negotiating the Settlement, Plaintiff obtained, through informal discovery efforts, Defendant's relevant policies for their non-exempt employees (including all versions of their employee handbooks in effect during the liability period); Plaintiff's personnel records, timekeeping and payroll records, and wages statements; a substantial sampling of timekeeping and payroll data of the Class Members for the Class Period through February 28, 2025; and wage statement exemplars. Plaintiff's investigation is sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.8. The Court has not granted class certification.

2.9. The Parties, Class Counsel, and Defense Counsel are not aware of any other pending matters or actions asserting claims that may be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Section 8 below, Defendant agrees to pay $1,250,000.00 and no more as the Gross Settlement Amount, and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Shares. Defendant has no obligation to pay 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 Defendant.

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

3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than $7,500.00, in addition to any Individual Class Payment that Plaintiff is entitled to receive as a Participating Class Member and Aggrieved Employee. Defendant will not oppose Plaintiff's request for Class Representative Service Payment that does not exceed this amount. As part of the Motion for Final Approval, Plaintiff will seek Court approval for the Class Representative Service Payment no later than sixteen (16) court days prior to the Final Approval Hearing, or alternatively, such other deadline that is set by the Court. If the Court approves a Class

Representative Service Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes 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 (i.e., 33.33%) of the Gross Settlement Amount, which is currently estimated to be \$412,500.00 (if the Gross Settlement Amount remains \$1,250,000.00) and a Class Counsel Litigation Expenses Payment of not more than \$25,000.00 Defendant will not oppose requests for these payments provided that they do not exceed these amounts. 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, Class Members, or Aggrieved Employees arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. A reduction by the Court of either the Class Counsel Fees Payment(s) and/or Class Counsel Litigation Expenses Payment(s) shall not be grounds to nullify this Agreement. With respect to the Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment to Class Counsel, the Settlement Administrator may purchase an annuity to utilize United States Treasuries and bonds or utilize other attorney fee deferral vehicles, for Class Counsel, and any additional expenses for doing so shall be paid separately by Class Counsel and shall not be included within the Settlement Administration Costs.The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation 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 Released Parties harmless, and indemnifies Released Parties, from any dispute or controversy regarding any division or sharing of any of these payments.

3.2.3. To the Administrator: An Administration Expenses Payment not to exceed \$10,000.00 except for a showing of good cause and as approved by the Court. These costs, which will be paid from the Gross Settlement Amount, subject to Court approval, will include (among other things) printing, distributing, and tracking the Class Notice and other documents for the Settlement, calculating and distributing payments due under the Settlement, issuing IRS Forms 1099 and W-2 and undertaking all required tax reporting, filings, withholdings, and remittances, providing necessary reports and declarations, and other duties and responsibilities set forth here to process the Settlement. To the extent the Administration Expenses are less or the Court approves payment less than \$10,000.00, the Administrator will allocate the remainder to the Net Settlement Amount.

3.2.4. Individual Class Share Calculation: The Administrator will calculate each Individual Class Share by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period, and (b) multiplying the result by each Participating Class Member's individual number of Workweeks worked during the Class Period.

3.2.4.1. Tax Allocation of Individual Class Shares. 20% of each Participating Class Member's Individual Class Share will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to reduction for the employee's share of taxes and withholding and will be reported on an IRS W-2 Form. The remaining 80% of each Participating Class Member's Individual Class Share will be allocated to settlement of claims for interest, penalties, and non-wage damages (the "Non-Wage Portion"). The Administrator will not undertake any reduction for taxes and withholdings for the Non-Wage Portion, and the Non-Wage Portion will be reported on IRS 1099 Forms. The Administrator will withhold (and remit to the appropriate taxing authorities) the employee's share of taxes and withholdings with respect to the Wage Portion of the Individual Class Shares, and issue checks to Participating Class Members for their Individual Class Payment (i.e., payment of their Individual Class Share net of these taxes and withholdings). Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Share. The Administrator shall also remit the employer taxes to the appropriate taxing authorities.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Shares. Class Members who submit a valid and timely Request for Exclusion from the Class Settlement will not receive an Individual Class Payment. The Administrator will retain amounts equal to their Individual Class Shares 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: The amount of $70,000.00 of the Gross Settlement Amount shall be allocated to PAGA Penalties. Seventy-five percent (75%) of the PAGA Penalties ($52,500.00) shall be allocated to the LWDA PAGA Payment and twenty-five percent (25%) of the PAGA Penalties ($17,500.00) shall be allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties ($17,500.00) by the total number of Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each Aggrieved Employee's individual number of Pay Periods worked during the PAGA Period. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount, and will allocate Seventy-five percent (75%)

of the approved PAGA Penalties to the LWDA and twenty-five percent (25%) of the approved PAGA Penalties to the Individual PAGA Payments. Each Individual PAGA Payment will be allocated as 100% penalties and will be reported on IRS Forms 1099 (if applicable) by the Administrator.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Workweeks and Pay Periods. Based on a review of their records to date, Defendant estimates there are approximately 253 Class Members who collectively worked a total of approximately 26,940 Workweeks during the period from April 15, 2020, through April 30, 2025, and approximately 170 Aggrieved Employees who collectively worked a total of approximately 6,635 Pay Periods during the period from February 7, 2023 through April 15, 2025.

4.2. Class Data. Not later than fifteen (15) days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform 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.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount and Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than thirty (30) days after entry of the Court's Final Approval Order.

4.4. Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendant funds the Gross Settlement Amount and Defendant's share of payroll taxes, the Administrator will mail checks for Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the Administration Expenses, 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 to the Participating Class Members and Individual PAGA Payments to the Aggrieved Employees 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. After the void date, the checks are canceled. The Administrator will send checks for Individual Class Payments to all Participating Class Members (including those for whom a Class Notice was returned undelivered). The

Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees, including those who opted out of the Class Settlement and including those for whom a 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 Participating Class Members and/or Aggrieved Employees whose checks are returned undelivered without USPS forwarding address within sixty (60) days of the initial mailing of the checks. Within three (3) business 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 Participating Class Members and/or Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Participating Class Member and/or Aggrieved Employee whose original check was lost or misplaced, requested by the Class Member and/or Aggrieved Employee prior to the void date.

4.4.3. For any leftover funds represented by canceled Individual Class Payment and Individual PAGA Payment checks, the Administrator shall transmit the funds to the California Controller's Unclaimed Property Fund in the name of the Participating Class Member and/or Aggrieved Employee thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

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

5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff, Participating Class Members, and Aggrieved Employees will release claims against all Released Parties as follows:

5.1 Plaintiff's Release and Waiver of Rights Under California Civil Code Section 1542. Upon the Effective Date and as a condition of receiving any portion of the Class Representative Service Payment, Plaintiff will agree to the additional following General Release: In consideration of Defendant's promises and agreements as set forth herein, Plaintiff hereby releases all claims related to her employment or alleged employment with the Released Parties including all claims alleged in the Action, and all claims known and unknown, without exception, except as may be prohibited by law. Specifically, Plaintiff waives all rights and benefits afforded by California Civil Code Section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE

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

This release specifically excludes claims for unemployment insurance, disability, social security, and workers' compensation (with the exception of claims arising pursuant to California Labor Code Sections 132a and 4553). This release excludes the release of claims not permitted by law. Plaintiff's 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, or workers' compensation benefits that arose at any time. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them. Thus, notwithstanding the provisions of section 1542, and to implement a full and complete release and discharge of the Released Parties, Plaintiff expressly acknowledge this Settlement Agreement is intended to include in its effect, without limitation, all claims Plaintiff does not know or suspect to exist in Plaintiff's favor at the time of signing this Settlement Agreement, and that this Settlement Agreement contemplates the extinguishment of any such claims.

5.2 <u>Release by Participating Class Members:</u> Effective on the date when Defendant fully funds the entire Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Shares, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, are deemed to release the Released Parties from all claims under state, federal, or local law, pleaded in the Operative Complaint in the Actions or that could have been asserted based on the facts pleaded in the Operative Complaint in the Actions, such as those under the California Labor Code, Industrial Welfare Commission Wage Orders, regulations, and/or other provisions of law, including and not limited to, for: failure to pay overtime wages under California Labor Code sections 510 and 1198; failure to provide meal periods and/or pay meal period premiums under California Labor Code sections 226.7 and 512; failure to provide rest periods and/or pay rest period premiums under California Labor Code section 226.7; failure to pay minimum wages under California Labor Code sections 1194, *et seq.*; failure to pay reporting time wages under California Labor Code section 1198 and applicable Industrial Welfare Commission Wage Orders; failure to provide a day of rest under California Labor Code section 551 and 552; failure to timely pay wages upon termination under California Labor Code section 203; failure to timely pay wages during employment under California Labor Code sections 204 and 210; failure to provide accurate, itemized wage statements under California Labor Code section 226; failure to keep requisite payroll records under California Labor Code section 1174, subdivision (d); failure to reimburse business expenses under California Labor Code sections 2800 and 2802; violation of California's unfair competition law under California Business and Professions Code sections 17200, *et seq.* The claims to be released by the Aggrieved Employees as to the Released Parties include all claims for civil penalties under PAGA based on alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1,1198, 2800 and 2802, and Industrial Welfare Commission Wage Orders including inter alia Wage Orders 4-2001, 7-2001, and 9-2001, arising during the Class Period ("Released Class Claims"). As part of the release of the Released Class Claims, 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 State of California and Aggrieved Employees' Release: Effective on the date when Defendant fully funds the entire Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Shares, the State of California with respect to the Aggrieved Employees and all Aggrieved Employees, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, are deemed to release the Released Parties from all claims for civil penalties, arising during the PAGA Period, that were alleged, or reasonably could have been alleged, based on the facts stated in the PAGA Notices, to the extent alleged in the Operative Complaint, including but not limited to: failure to pay minimum wages; failure to pay overtime wages; failure to provide compliant rest periods and associated premium pay; failure to provide meal periods and associated premium pay; failure to pay bonuses or other remuneration; failure to timely pay wages during employment; failure to pay timely wages upon termination; failure to reimburse necessary business-related expenses; failure to maintain requisite payroll records; and failure to provide compliant wage statements ("Released PAGA Claims").

6. MOTION FOR PRELIMINARY APPROVAL.

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

6.1 Defendant's Declaration in Support of Preliminary Approval. Within fourteen (14) days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator.

6.2 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the Notice of Motion 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 of the proposed Preliminary Approval Order; (iii) a draft of the proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid or quote for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel, or Defense Counsel; (v) signed declaration from Plaintiff confirming his 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; (vi) signed declarations from Class Counsel attesting to their competency to represent the Class Members; their timely transmissions 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)), PAGA settlement-related information, and Final Approval Order and Judgment; (vii) a redlined version of the Parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (viii) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator.

6.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval; obtaining a prompt hearing date for the Motion for Preliminary Approval; and appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval Order to the Administrator.

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

7 SETTLEMENT ADMINISTRATION.

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

7.2 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

7.3 Notice to Class Members.

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

7.3.2 Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice, 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 Share and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and 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.

7.3.3 Not later than three (3) business days after the Administrator's receipt of any Class Notice returned, on or before the Response Deadline, 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.

7.3.4 The deadline for Objections, challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the Response Deadline otherwise provided in the Class Notice for all Class Members whose Class 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 a 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, the Parties shall go to Court to obtain Court approval on whether to include them as class members; and, upon Court approval thereof, 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 the Class Notice, or the Response Deadline in the Class Notice, whichever is later.

7.4 <u>Requests for Exclusion (Opt-Outs)</u>.

7.4.1 Class Members who wish to exclude themselves (opt-out of) from the Class Settlement must send the Administrator, by email or mail, a signed written Request for Exclusion no later than the Response Deadline (plus an additional 14 days for Class Members whose Class Notice is re-mailed).

7.4.2 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 from the Class Settlement. 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.

7.4.3 Every Class Member who does not submit a valid and timely 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 releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Class Settlement.

7.4.4 Every Class Member who submits a valid and timely Request for Exclusion shall not be issued an Individual Class Payment or have the right to object to the Class Settlement. All Aggrieved Employees are bound to the PAGA Settlement and will still be issued an Individual PAGA Payment, regardless of whether they seek exclusion from the Class Settlement.

7.5 Challenges to Calculation of Workweeks and Pay Periods. Each Class Member shall have until the Response Deadline (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Workweeks and/or Pay Periods (if any) allocated to the Class Member in the Class Notice. The challenge must (a) contain the case name and number of one of the Actions; (b) contain the full name, mailing address, signature, and last four digits of the Social Security number of the challenging Class Member; (c) clearly state that the Class Member challenges the number of Workweeks and/or Pay Periods credited to them and what they contend is the correct number to be credited to them; (d) include information and/or attach documentation demonstrating that the number of Workweeks and/or Pay Periods that they contend should be credited to them are correct; and (d) be submitted by email or mail to the Administrator at the specified email address and/or mailing address, emailed or postmarked on or before the Response Deadline. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks and Pay Periods 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 Workweeks and/or Pay Periods challenges to Defense Counsel and Class Counsel and the Administrator's determination of the challenges to Defense Counsel and Class Counsel.

7.6 Objections to Settlement. Only Participating Class Members may object to the Class 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. Class Members may not object to the PAGA Settlement.

7.6.1 Participating Class Members may send Notices of Objections to the Administrator, by mail. A written Notice of Objection to the Class Settlement must: (1) contain the case name and number of the Action; (2) contain the Class Member's full name, address, telephone number, signature and last four digits of his or her Social Security number; (3) clearly state the grounds for the objection; (4) state whether the Class Member intends to appear at the Final Approval Hearing; and (5) be submitted no later than the Response Deadline. Participating Class Members may also appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing, regardless of whether they have submitted a written Notice of Objection. A Participating Class Member who elects to send a written Notice of Objection to the Administrator must do so not later than sixty (60) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).

7.6.2 Class Members who submitted a valid and timely Request for Exclusion have no right to object to any of the class action components of the Settlement.

7.7 Administrator Duties. The Administrator has a duty to perform or observe all tasks required by this Agreement for administration of the notice and settlement payment distribution process.

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

7.7.2 Requests for Exclusion (Opt-Outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain whether they are valid and timely. No later than five (5) days after the expiration of the Response Deadline or any applicable extended Response Deadline (whichever is later), the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the full names and other identifying information of Class Members who have submitted valid and timely Requests for Exclusion ("Exclusion List"); (b) the full names and other identifying information of Class Members who have submitted invalid and/or untimely Requests for Exclusion; and (c) copies of all Requests for Exclusion submitted (whether valid or invalid).

7.7.3 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, Workweeks/Pay Periods disputes received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must provide the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.7.4 Workweeks/Pay Periods Disputes. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Workweeks/Pay Periods disputes. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

7.7.5 Administrator's Declaration. No later than fourteen (14) days before the date by which Plaintiff is required to file the Motion for Final Approval, 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 it received (both valid or invalid), the number of written Notices of Objection it received, the number of Workweeks/Pay Periods disputes it received and the outcome of the challenges, and attach the Exclusion List, copies of all Requests for Exclusion it received (both valid and invalid), and copies of all written Notices of Objection it received. 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.

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

8. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds ten percent (10%) of the total of all Class Members, Defendant may, but is not obligated to, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that no Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Administration Expenses incurred to that point. Defendant must notify Class Counsel and

the Court of its election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

9. ESCALATOR CLAUSE. Based on its records, Defendant represents that there are approximately 26,940 Workweeks during the period from April 15, 2020, through April 30, 2025. If the number of Workweeks during the Class Period exceeds 26,940 by more than 10% (i.e., exceeds 29,634 Workweeks), Defendant shall have the option to increase the Gross Settlement Amount *pro rata* per additional Workweek for each Workweek over 29,634 Workweeks or to cap the Class Period at the last point in time in which the number of Workweeks does not exceed 29,634 (and such date shall be referred to as the "Alternate End Date").

10. MOTION FOR FINAL APPROVAL. Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA Settlement under Labor Code section 2699, subd. (l), a proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than three (3) 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.

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

10.2 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 by Participating 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 of the Settlement. 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 Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this Paragraph.

10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, 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 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment set forth in this Settlement, the

Parties, their respective counsel, and all Participating Class Members who did not object to the Class 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 Gross Settlement Amount or Net Settlement Amount.

10.5 <u>Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment.</u> 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 by Participating 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 entry of a Final Approval Order and Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representatives 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. **AMENDED JUDGMENT**. If any amended judgment is required under California Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

12. **ADDITIONAL PROVISIONS.**

12.1 <u>No Admission of Liability, Class Certification or Representative Manageability for Other Purposes</u>. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the 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 enters Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Actions, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Actions 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 <u>Publicity.</u> Neither side shall publicize the settlement, including but not limited to communications with the media or through any social media, unless so ordered by the Court. Nothing herein will restrict Class Counsel from including publicly available information regarding this Settlement in future judicial submissions regarding Class Counsel's qualifications and experience nor restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.3 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 Class Settlement, or appeal from the Final Approval Order or Judgment. Class Counsel shall not at any time list or publicize the action or settlement on its website or any advertising material. Nothing in this Paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members, or to undertake required submissions of information and/or documents to the LWDA pursuant to PAGA.

12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibit 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 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

12.6 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 exchange of information, data, and documents, executing documents, 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 the mediator, Honorable Daniel J. Buckley (Ret.), and/or the Court for resolution.

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

12.7 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement

Agreement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

12.8 Modification of Agreement. Prior to the filing of the motion for preliminary approval of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement except by written agreement signed by counsel for all Parties. After the filing of the motion for preliminary approval of the Settlement, the Parties may not amend or modify any provision of the Settlement Agreement except by written agreement signed by counsel for all of the Parties and subject to Court approval. Notwithstanding the foregoing, the Parties agree that any dates contained or contemplated in this Agreement may be modified by agreement of counsel for the Parties in writing without approval by the Court if the Parties agree and cause exists for such modification.

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

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

12.11 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.

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

12.13 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.

12.14 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.

12.15 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:

Arby Aiwazian (arby@calljustice.com)

Joanna Ghosh (Joanna@calljustice.com)
Brian St. John (Brian@calljustice.com)
Erica Stepanian (Erica@calljustice.com)
LAWYERS *for* JUSTICE, PC
450 N. Brand Blvd., Suite 900
Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021

Attorneys for Plaintiff Armando De La Cruz

To Defendant:

Daniel Parker Jett (djett@fmglaw.com)
Elizabeth Y. Mu (elizabeth.mu@fmglaw.com)
FREEMAN, MATHIS & GARY LLP
550 South Hope Street, Suite 2200
Los Angeles, California 90071
Tel: (213) 615-7000 / Fax: (213) 615-7100

Attorneys for Defendant Royal Plywood Company, LLC

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

12.17 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation in the Action shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement, pursuant to California Code of Civil Procedure section 583.330(a), the time within which the Action must be brought to trial under Code of Civil Procedure section 583.310 shall be extended for the period between the filing of the motion for preliminary approval and the entry of Judgment. If the Court denies Preliminary Approval or Final Approval of the Settlement, the Parties agree that the time within which the Action must be brough to trial under Code of Civil Procedure section 583.310 shall be extended to 30 days after the date on which the Court issues an order denying the Motion for Preliminary Approval or the Motion for Final Approval.

IT IS SO AGREED.

PLAINTIFF ARMANDO DE LA CRUZ

Dated: 11/10/2025, 2025

Plaintiff Armando De La Cruz

DEFENDANT ROYAL PLYWOOD COMPANY, LLC

Dated: ___________________, 2025

Stephen Fuller, Chief Financial Officer

APPROVED AS TO FORM:

LAWYERS *for* JUSTICE, PC

Dated: November 10, 2025

Arby Aiwazian
Joanna Ghosh
Brian St. John
Erica Stepanian
Attorneys for Plaintiff Armando De La Cruz

FREEMAN, MATHIS & GARY LLP

Dated: ___________________, 2025

Daniel Parker Jett
Elizabeth Y. Mu
Attorneys for Defendant Royal Plywood Company, LLC

PLAINTIFF ARMANDO DE LA CRUZ

Dated: ___________________, 2025

____

Plaintiff Armando De La Cruz

DEFENDANT ROYAL PLYWOOD COMPANY, LLC

Dated: November 12, 2025

____

Stephen Fuller, Chief Financial Officer

APPROVED AS TO FORM:

LAWYERS *for* JUSTICE, PC

Dated: ___________________, 2025

____

Arby Aiwazian
Joanna Ghosh
Brian St. John
Erica Stepanian
Attorneys for Plaintiff Armando De La Cruz

FREEMAN, MATHIS & GARY LLP

Dated: November 12, 2025

____

Daniel Parker Jett
Elizabeth Y. Mu
Attorneys for Defendant Royal Plywood Company, LLC

Exhibit A

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

Armando De La Cruz v. Royal Plywood Company LLC, Los Angeles County Superior Court, Case Nos. 24STCV09460; and 24NWCV02386

The Superior Court for the State of California authorized this Notice. Read it carefully! It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from employee class action lawsuits (the "Actions") against Defendant Royal Plywood Company, LLC ("Defendant" or "Royal") for alleged wage and hour violations. The Actions were filed by a former Royal employee, Armando De La Cruz ("Plaintiff") and seeks payment of (1) back wages and other relief for a class of all current and former hourly-paid or non-exempt employees of Defendant in California employed during the Class Period. ("Class" or "Class Members"); and (2) penalties under the California Private Attorney General Act ("PAGA") for all current and former hourly-paid or non-exempt employees of Defendant in California employed during the PAGA Period ("Aggrieved Employees"). The time period from April 15, 2020 through the sooner of (a) the date of Court's preliminary approval of class settlement, (b) December 17, 2025, or if applicable, (c) the Alternate End Date is referred to as the "Class Period" and the time period from February 7, 2023 through the sooner of (a) the date of the Court's preliminary approval of the Settlement, (b) December 17, 2025, or if applicable, (c) the Alternate End Date is referred to as the "PAGA Period."

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

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

The above estimates are based on Defendant's records showing that **you worked _________Workweeks** during the Class Period and **you worked _________ Pay Periods** during the PAGA Period. If you believe that you worked more Workweeks or Pay Periods during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys.

The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

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

(1) **Do Nothing**. You don't have to do anything to participate in the Settlement and be eligible for an Individual Class Share and/or an Individual PAGA Payment. As a Class Member who does not submit a valid and timely Request for Exclusion from the Class Settlement ("Participating Class Member"), though, you will give up your right to assert Released Class Claims. If you are an Aggrieved Employee, you will automatically be bound to the PAGA Settlement and issued your Individual PAGA Payment.

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

(3) **Object to the Class Settlement**. If you do not opt-out of the Class Settlement, you may object to any aspect of the Class Settlement by submitting a written Objection or otherwise appearing at the Final Approval Hearing.

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the Released Class Claims and Released PAGA Claims against Defendant that are covered by this Settlement (as defined below in Section **3**).

You Can Opt-out of the Class Settlement but not the PAGA Settlement **The Opt-out Deadline is ______________**	If you do not want to fully participate in the Class Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will no longer be eligible for an Individual Class Share. See Section **6** of this Notice. You cannot opt-out of the PAGA Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released PAGA Claims (defined below in Section **3**).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement **Written Objections Must be Submitted by ________________**	All Participating Class Members can object to any aspect of the Class Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Actions on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section **7** of this Notice.
You Can Participate in the ______________ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on ______________. You do not have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone, or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Class Settlement at the Final Approval Hearing. See Section **8** of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods **Written Challenges Must be Submitted by** ______________	The amount of your Individual Class Share depends on how many Workweeks you worked during the Class Period and your Individual PAGA Payment (if any) depends on how many Pay Periods you worked during the PAGA Period. The number of Workweeks and Pay Periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by ______________. See Section **4** of this Notice.

1. WHAT ARE THE ACTIONS ABOUT?

Plaintiff is a former employee of Defendant. On April 15, 2024, Plaintiff filed a Class Action Complaint for Damages ("Class Complaint") entitled *Armando De La Cruz v. Royal Plywood Company, LLC*, Case No. 24STCV09460. On August 1, 2024, Plaintiff commenced a PAGA Action by filing a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code §2698, *et seq.,* entitled *Armando De La Cruz v. Royal Plywood Company, LLC,* ("PAGA Complaint") alleging an additional cause of action against Defendant under PAGA. On

October 14, 2024, the Class Complaint and the PAGA Complaint were deemed related by the Court, with the Class Action Complaint being the lead case. On October 1, 2025, Plaintiff filed a First Amended Complaint in the lead case, *Armando De La Cruz v. Royal Plywood Company, LLC*, Case No. 24STCV09460, adding a PAGA cause of action to the Class Complaint ("Operative Complaint" or "Action"). The First Amended Complaint is the operative pleading in this matter. The Operative Complaint alleges that Defendant failed to properly pay minimum and overtime wages, failed to provide compliant meal and rest breaks and associated premiums, failed to timely pay wages during employment and upon termination of employment and associated waiting-time penalties, failed to provide compliant wage statements, failed to keep requisite payroll records, and failed to reimburse business expenses, and thereby engaged in unfair business practices in violation of California Business & Professions Code section 17200, *et seq*., and conduct that give rise to civil penalties under California Labor Code section 2698, *et seq*. ("PAGA"). Plaintiff is represented by attorneys in the Actions: Lawyers for Justice, PC ("Class Counsel").

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

2. WHAT DOES IT MEAN THAT THE ACTIONS HAVE SETTLED?

So far, the Court has made no determination whether Defendant or Plaintiff is correct on the merits. In the meantime, Plaintiff and Defendant hired an experienced, neutral mediator in an effort to resolve the Actions by negotiating an end to the cases by agreement to settle the cases rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing the Class Action and PAGA Settlement Agreement ("Settlement Agreement," "Settlement," or "Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Actions and enforcing the Agreement, Plaintiff and Defendant have negotiated the Settlement that is subject to the Court's Final Approval. Both sides agree the Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

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

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

1. Defendant will Pay $1,250,000.00 as the Gross Settlement Amount. Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Shares, Individual PAGA Payments, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administration Expenses Payment, and penalties to be paid to the LWDA. Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement and Defendant's share of payroll taxes not more than 60 days after entry of the Court's Final Approval Order.

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

   A. Up to 1/3 or 33.33% of the Gross Settlement Amount to Class Counsel for attorneys' fees ("Class Counsel Fees Payment") and up to $25,000.00 for their litigation costs and expenses ("Class Counsel Litigation Expenses Payment"). To date, Class Counsel have worked and incurred expenses on the Actions without payment.

   B. Up to $7,500.00 to the named Plaintiff for prosecuting the Actions, working with Class Counsel, and representing the Class ("Class Representatives Service Payment"). The Class Representative Service Payment will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and Individual PAGA Payment (if applicable).

   C. Up to $10,000.00 to the Administrator for services administering the Settlement ("Administration Expenses Payment").

   D. Up to $70,000.00 allocated for civil penalties under PAGA ("PAGA Penalties"), of which 75% ($52,500.00) will be paid to the LWDA ("LWDA PAGA Payment") and 25% ($17,500.00) will be paid to the Aggrieved Employees based on their Pay Periods ("Individual PAGA Payment").

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

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

4. Taxes Owed on Payments to Participating Class Members and Aggrieved Employees. Plaintiff and Defendant are asking the Court to approve an allocation of 20% of each Individual Class Share to taxable wages ("Wage Portion") and 80% to interest, penalties, and non-wage damages ("Non-Wage Portion.). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The net payment of each Individual Class Share, after reduction of the Wage Portion is referred to an "Individual Class Payment." The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Shares on IRS 1099 Forms.

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you do not cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

   If the monies represented by your check is sent to the California Controller's Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.

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

7. Administrator. The Court has appointed a neutral company, Phoenix Class Action Administration Solutions (the "Administrator") to send this Notice, calculate and make payments, and process Requests for Exclusion, Objections, and challenges to Workweeks and/or Pay Periods. The Administrator will also mail and remail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

8. Participating Class Members' Release of Released Class Claims. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Shares, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, are deemed to release the Released Parties from all claims, arising during the Class Period, under state, federal, or local law, whether statutory, common law, or administrative law, that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaints, including but not limited to: failure to pay minimum wage; failure to pay overtime wages; failure to provide compliant rest periods and associated premium pay; failure to provide meal periods and associated premium pay; failure to pay bonuses or other remuneration; failure to timely pay wages during employment, failure to timely pay wages upon termination; failure to reimburse necessary business-related expenses; failure to maintain requisite payroll records; failure to provide compliant wage statements; conversion; breach of contract; waiting time penalties; unfair or unlawful business practices in violation of California Business and Professions Code sections 17200, *et seq.*, based on the

aforementioned; declaratory relief; and all other claims and allegations made or which could have been made in the Operative Complaints arising during the Class Period. ("Released Class Claims") As part of the release of the Released Class Claims, 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.

9. Aggrieved Employees' Release of Released PAGA Claims. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Shares, the State of California with respect to the Aggrieved Employees and all Aggrieved Employees, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, are deemed to release the Released Parties from all claims for civil penalties, arising during the PAGA Period, that were alleged, or reasonably could have been alleged, based on the facts stated in the PAGA Notices, to the extent alleged in the Operative Complaints, including but not limited to: failure to pay minimum wages; failure to pay overtime wages; failure to provide compliant rest periods and associated premium pay; failure to provide meal periods and associated premium pay; failure to pay bonuses or other remuneration; failure to timely pay wages during employment; failure to pay timely wages upon termination; failure to reimburse necessary business-related expenses; failure to maintain requisite payroll records; and failure to provide complaint wage statements ("Released PAGA Claims").

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

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

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties ($17,500.00) by the total number of Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's individual number of Pay Periods worked during the PAGA Period.

3. Workweek/Pay Period Challenges. The number of Workweeks you worked during the Class Period and the number of Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. If you wish to challenge the number of Workweeks and/or Pay Periods credited to you, you must submit a written challenge that must: (a) contain the case name and number of one of the Actions (*Armando De La Cruz v. Royal Plywood Company, LLC*, Case Nos. 24STCV09460 and 24NWCV02386); (b) contain your full name, mailing address, signature, and last four digits of your Social Security number; (c) clearly state that you challenge the number of

Workweeks and/or Pay Periods credited to you and what you contend is the correct number to be credited to you; (d) include information and/or attach documentation demonstrating that the number of Workweeks and/or Pay Periods that you contend should be credited to you are correct; and (d) be submitted by email or mail to the Administrator at the specified email address and/or mailing address specified in Section 9, emailed or postmarked on or before [Response Deadline].

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

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

C. "Pay Period" means any pay period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

5. HOW WILL I GET PAID?

<u>Participating Class Members.</u> The Administrator will send, by U.S. mail, a single Individual Class Payment check to every Participating Class Member, including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment (if applicable).

<u>Aggrieved Employees.</u> The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee. As noted above, an Individual Settlement Payment and Individual PAGA Payment will be combined into one check.

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

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

Class Members who wish to exclude themselves from the Class Settlement, must submit a written request to be excluded ("Request for Exclusion"), which must (a) contain the case name and number of one of the Actions (*Armando De La Cruz v. Royal Plywood Company, LLC.*, Case Nos. 24STCV09460; and 24NWCV02386); (b) contain the full name, mailing address, signature, and last four digits of the Social Security number of the Class Member requesting exclusion; (c) clearly state that the Class Member does not wish to be included in the Class Settlement; and (d) be submitted by email or mail to the Administrator at the specified email address and/or mailing address in Section 9, emailed or postmarked on or before [Response Deadline].

If the Court grants Final Approval, any Class Member who submits a valid and timely Request for Exclusion will not be entitled to receive an Individual Class Payment, will not be bound by the release of Class Released Claims, and will not have any right to object to, appeal, or comment on the Settlement. Class Members who do not submit a valid and timely Request for Exclusion will be deemed Participating Class Members and will be bound by all terms of the Settlement, including those pertaining to the release of claims described in Section 3 above, as well as any judgment that may be entered by the Court based thereon. Aggrieved Employees will be bound by the PAGA Settlement and will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Class Settlement. Participating Class Members may object to the Class Settlement by submitting a written objection ("Objection"), which must: (a) contain the case name and number of one of the Actions (*Armando De La Cruz v. Royal Plywood Company, LLC.*, Case Nos. 24STCV09460; and 24NWCV02386); (b) contain the full name, mailing address, signature, and last four digits of the Social Security number of the objecting Participating Class Member; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be submitted by email or mail to the Administrator at the specified email address and/or mailing address, emailed or postmarked on or before [Response Deadline].

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but do not have to, attend the Final Approval Hearing on _____________ at ________ in Department 15 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Final Approval Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement Amount will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel, and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via https://lacc.lacourt.org/. Check the Court's website https://www.lacourt.ca.gov/pages/lp/access-a-case/tp/find-case-information/cp/os-civil-case-access for the most current information.

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

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff have promised to do under the Settlement. The easiest way to read the Agreement, Final Approval Order and Judgment, or any other Settlement documents is to go to the Administrator's website at ________(url)____________. You can also contact Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (http://www.lacourt.org/casesummary/ui/index.aspx) and entering the Case Number for the one of the Actions, Case No. 24STCV09460 for the Class Action and Case No. 24NWCV02386 for the PAGA Action." You can also make an appointment to personally review court documents in the Clerk's Office at the Spring Street Courthouse by calling (213) 310 - 7000 .

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

Class Counsel:

Arby Aiwazian (arby@calljustice.com) Joanna Ghosh (Joanna@calljustice.com) Brian St. John (Brian@calljustice.com) Erica Stepanian (erica@calljustice.com) **LAWYERS *for* JUSTICE, PC** 450 N. Brand Blvd., Suite 900 Glendale, California 91203 Tel: (818) 265-1020 / Fax: (818) 265-1021 Attorneys for Plaintiff Armando De La Cruz

Settlement Administrator:
Name of Company: Phoenix Class Action Administration Solutions
Email Address:
Mailing Address:
Telephone:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check.

If your check is already void you should consult the California Controller's Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT 2

LAWYERS FOR JUSTICE PC

February 7, 2024

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAfilings@dir.ca.gov

Re: ***ROYAL PLYWOOD ROYAL PLYWOOD, LLC***

Dear Representative:

We have been retained to represent Armando De La Cruz against Royal Plywood Royal Plywood, LLC (including any and all affiliates, subsidiaries, parents, directors, officers, agents, and executive employees) (collectively referred to as "Royal Plywood") for violations of California wage-and-hour laws. Mr. De La Cruz seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA") and all other remedies available under PAGA.

Mr. De La Cruz seeks these remedies on behalf of the State of California and "aggrieved employees," as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

Royal Plywood employed Mr. De La Cruz as an hourly-paid, non-exempt employee from approximately May 2023 to approximately November 2023, in the State of California.

The "aggrieved employees" that Mr. De La Cruz may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California, including, but not limited to all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California who earned shift differentials/non-discretionary bonuses/non-discretionary performance pay which was not used to calculate the correct regular rate of pay used to calculate the overtime rate.

Based on the following facts and theories, Royal Plywood has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001, 7-2001, and 9-2001.

Royal Plywood required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time. Such work included, but was not limited to, waiting in line to clock-in and/or clock out, and responding to work-related inquiries.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During the relevant time period, Mr. De La Cruz and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Mr. De La Cruz and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, Royal Plywood required Mr. De La Cruz and other aggrieved employees to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods.

California Labor Code sections 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 if an employee quits 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' 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. During the relevant time period, Royal Plywood failed to pay Mr. De La Cruz and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Royal Plywood failed to pay Mr. De La Cruz and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, Royal Plywood did not provide Mr. De La Cruz and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from Royal Plywood were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Mr. De La Cruz and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars ($50) for each aggrieved employee per pay period for the initial violation and one hundred dollars ($100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Mr. De La Cruz and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Mr. De La Cruz and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Mr. De La Cruz and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Mr. De La Cruz and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, Royal Plywood failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Mr. De La Cruz and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, Royal Plywood did not provide Mr. De La Cruz and other aggrieved employees with the minimum wages to which they were entitled for work performed "off-the-clock."

California Labor Code section 1198 provides that "The employment of any employee … under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful." The applicable Industrial Wage Orders, including *inter alia*, Wage Orders 4-2001, 7-2001, and 9-2001, require that for each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee's regular rate of pay. During the relevant time period, Royal Plywood failed to pay Mr. De La Cruz and other aggrieved employees half the usual or scheduled day's work in an amount no less than two (2) hours nor more than four (4) hours at the employee's regular rate of pay for workdays in which Mr. De La Cruz and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day's work. During the relevant time period, Royal Plywood failed to pay Mr. De La Cruz and other aggrieved employees for two (2) hours at the employee's regular rate of pay on days in which Mr. De La Cruz and the other aggrieved employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Mr. De La Cruz and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by Royal Plywood. These costs include, but are not limited to, the purchasing and maintenance of supplies.

Therefore, on behalf of all aggrieved employees, Mr. De La Cruz seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA, including civil penalties pursuant to Labor Code section 558.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,

Gabriella Solé

Gabriella Sole, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

Royal Plywood Royal Plywood, LLC
c/o Gabriel Nicholas Marshi
Agent for Service of Process
1783 E Altadena Dr
Altadena, CA 91001

EXHIBIT 3

LAWYERS FOR JUSTICE PC

April 15, 2024

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAfilings@dir.ca.gov

Re: ***ROYAL PLYWOOD COMPANY, LLC***

Dear Representative:

We have been retained to represent Armando De La Cruz against Royal Plywood Company, LLC (including any and all affiliates, subsidiaries, parents, directors, officers, agents, and executive employees) (collectively referred to as "Royal Plywood") for violations of California wage-and-hour laws. Mr. De La Cruz seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA") and all other remedies available under PAGA.

Mr. De La Cruz seeks these remedies on behalf of the State of California and "aggrieved employees," as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

Royal Plywood employed Mr. De La Cruz as an hourly-paid, non-exempt employee from approximately May 2023 to approximately November 2023, in the State of California.

The "aggrieved employees" that Mr. De La Cruz may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California, including, but not limited to all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California who earned shift differentials/non-discretionary bonuses/non-discretionary performance pay which was not used to calculate the correct regular rate of pay used to calculate the overtime rate.

Based on the following facts and theories, Royal Plywood has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001, 7-2001, and 9-2001.

Royal Plywood required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time. Such work included, but was not limited to, waiting in line to clock-in and/or clock out, and responding to work-related inquiries.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During the relevant time period, Mr. De La Cruz and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Mr. De La Cruz and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, Royal Plywood required Mr. De La Cruz and other aggrieved employees to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods.

California Labor Code sections 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 if an employee quits 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' 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. During the relevant time period, Royal Plywood failed to pay Mr. De La Cruz and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Royal Plywood failed to pay Mr. De La Cruz and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, Royal Plywood did not provide Mr. De La Cruz and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from Royal Plywood were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Mr. De La Cruz and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars ($50) for each aggrieved employee per pay period for the initial violation and one hundred dollars ($100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Mr. De La Cruz and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Mr. De La Cruz and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Mr. De La Cruz and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Mr. De La Cruz and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

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If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,

Gabriella Solé

Gabriella Sole, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

Royal Plywood Company, LLC
c/o Gabriel Nicholas Marshi
Agent for Service of Process
1783 E Altadena Dr
Altadena, CA 91001