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Attorneys for Plaintiff THERESA MADRGIAL,  
on behalf of herself and all others similarly situated

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF RIVERSIDE**

THERESA MADRIGAL, on behalf of herself  
and all others similarly situated, and the  
general public,

*Plaintiff,*

v.

DPEP, INC., a California corporation;  
PEDDER AUTO MANAGEMENT LLC, a  
California corporation; PEDDER  
AUTOMOTIVE, LLC, a California  
corporation; PEDDER NISSAN, LLC, a  
California corporation; LAKE ELSINORE  
CHRYSLER DODGE JEEP RAM, LLC, a  
business entity of unknown form; and DOES 1  
through 50, inclusive,

*Defendants.*

Case No. CVRI2400722

*[Assigned for all purposes to the Hon. Harold  
W. Hopp, Dept. 1]*

**DECLARATION OF DAVID  
ARAKELYAN IN SUPPORT OF  
PLAINTIFF'S MOTION FOR  
PRELIMINARY APPROVAL OF CLASS  
ACTION AND PAGA SETTLEMENT**

Date: April 30, 2026  
Time: 8:30 A.M.  
Dept.: 1

**Reservation ID: Filing Authorized by  
Court during the January 15, 2026,  
CMC**

Complaint Filed: February 6, 2024  
FAC Filed: April 10, 2024  
Trial Date: None Set

**DECLARATION OF DAVID ARAKELYAN IN SUPPORT OF PLAINTIFF'S MOTION  
FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT**

I, David Arakelyan, declare:

1. I am an attorney licensed to practice before Northern, Eastern, and Central districts of the State of California. I am counsel for the Plaintiff Theresa Madrigal and have personal knowledge of the facts herein. If called as a witness, I could and would competently testify thereto.

**I. PROCEDURAL HISTORY**

2. On February 6, 2024, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendants for: (1) Failure To Provide Meal Periods; (2) Failure To Provide Rest Periods; (3) Failure to Pay Hourly Wages and Overtime; (4) Failure to Pay Reporting Time Wages; (5) Failure to Pay Proper Vacation Wages; (6) Unlawful Collection and Receipt of Wages; (7) Failure to Provide Accurate Written Wage Statements; (8) Failure to Timely Pay All Final Wages; (9) Failure to Indemnify; and (10) Unfair Competition in Violation Of Business And Professions Code §§ 17200, et seq. Under Labor Code section 2699.3, subdivision (a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notice. Attached hereto as **Exhibit 5** is Plaintiff's PAGA Notice. On April 10, 2024, Plaintiff filed a First Amended Complaint adding a claim for civil penalties under PAGA. The First Amended Complaint is the operative complaint in the Action (the "Operative Complaint").

3. Plaintiff contends that Defendants violated California's wage and hour laws by failing to provide all legally compliant meal and rest periods, failing to provide compliant and accurate itemized wage statements, failure to pay proper reporting time pay and vacation wages, unlawfully collecting and receiving wages, failing to timely pay all wages due upon separation of employment, and thereby also violating California Business & Professions Code section 17200, et seq., and incurring penalties under PAGA.

4. On August 12, 2025, the Parties participated in a mediation presided over by respected wage and hour mediator Lonnie Giamela, Esq., an experienced mediator. Recognizing the burdens and risk of continuing with the litigation, accepted the mediator's proposal to resolve

the Action.

5. The Settlement proposes the following Class: all persons employed by Defendants as hourly, non-exempt employee in the State of California at any time during the Class Period (the period defined as February 13, 2020, through October 31, 2025). It shall be an opt-out class, with no claim form required to participate. No residual will revert to Defendants.

## **II. THE SETTLEMENT**

6. To settle the Action and Released Claims, Defendants agree to pay the Gross Settlement Amount of \$298,500.00, exclusive of the employer's portion of payroll taxes and fees (i.e. Defendants will pay the employer-side payroll taxes on the wages portion separately from the Gross Settlement Amount). The Gross Settlement Amount represents approximately **21.9%** of the exposure calculated by Plaintiff (\$1,362,330.07, see Paragraph 34 below), which demonstrates that the settlement is fair and reasonable.

7. There are approximately 15,203 Workweeks in the Class Period, resulting in a recovery of an estimated \$19.63 per workweek. Each Class Member will receive an average Individual Settlement Award of approximately \$590.07 (NSA of \$155,779.31 divided by 264 Class Members). Additional proposed disbursements are as follows:

|                                                                                                 |                                                                                              |
|-------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| Class Counsel Fees Payment                                                                      | Up to \$99,500.00 (1/3 of Gross Settlement Amount), subject to Court approval                |
| Class Counsel Litigation Expenses Payment for actual expenses incurred in litigating the Action | Actual costs, verified by Class Counsel and approved by the Court, which are at \$15,220.69. |
| Administration Expenses Payment                                                                 | Not to exceed \$8,000.00                                                                     |
| Class Representative Service Payment                                                            | \$5,000.00 to Plaintiff                                                                      |
| PAGA Penalties                                                                                  | \$20,000.00 (\$15,000.00 to LWDA; \$5,000.00 to Aggrieved Employees)                         |

8. As detailed in the Settlement Agreement, the Parties have selected Phoenix Settlement Administration Solutions (the "Administrator"), an experienced class action settlement administrator, to administer this Settlement. Following preliminary approval, the Administrator will mail the Class Notice per the Settlement Agreement. The Parties have

1 confirmed that the Class Notice will be translated into Spanish. The Parties respectfully  
2 request that this Court approve the Class Notice to be disseminated to the Class consistent  
3 with the manner and timing as set forth in this Memorandum and the Settlement Agreement.

4 9. The Parties have agreed on Phoenix Settlement Administration Solutions as the  
5 Administrator and respectfully request that this Court appoint Phoenix Settlement Administration  
6 Solutions to handle the Class Notice and claims administration procedures, including posting the  
7 Judgment on its website. To my knowledge, none of the parties or attorneys involved in this  
8 action has ever had any financial interest in or affiliation with the proposed Administrator.

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

### 12 **III. SETTLEMENT DOCUMENTS**

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

15 a. Class Action And PAGA Settlement Agreement attached hereto as

16 **Exhibit 1;**

17 b. Notice of Class Action Settlement attached to the Class Action and PAGA  
18 Settlement Agreement attached to the Class Action and PAGA Settlement  
19 Agreement (Exhibit 1 herein) as Exhibit A; and

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

22 12. Attached hereto as **Exhibit 2** is true and correct copy of the Declaration of Jodey  
23 Lawrence on behalf of Phoenix Settlement Administrators. Attached hereto as **Exhibit 3** is a true  
24 and correct copy of the confirmation of submission of the PAGA settlement to the LWDA.

### 25 **IV. CONDITIONAL CERTIFICATION OF THE CLASS FOR SETTLEMENT** 26 **PURPOSES**

27 13. The Class definition is sufficiently specific to enable potential Class Members and  
28 the Court to identify the Class Members, all of whom have indeed been identified by

Defendants' employment and payroll records. There are approximately 264 Class Members, which is sufficient to satisfy numerosity requirements. The evidence to support the claims as to the Class consists of Defendants' policies, payroll records, time records and the forms of wage statements given to Defendants' non-exempt employees.

14. The proposed Class Representative worked for Defendants as a non-exempt employee under Defendants' uniform employment policies applicable to all persons employed by Defendants in California and classified as a non-exempt employee who worked for Defendants during the Class Period (the period defined as February 13, 2020, through October 31, 2025). Plaintiff asserts that these are all policy questions that are uniform and can be proven by common objective evidence. The evidence to support these claims on a class wide basis consists of Defendants' policies, payroll records, time records and the forms of wage statements given to Defendants' non-exempt employees. The Class Representative was subject to the same policies as other Class Members.

15. Plaintiff's claims are typical of those of other Class Members. The Class Representative has agreed to act as such and understands her responsibilities. The Class Representative has no claims or other interests that are antagonistic to the Class.

## **V. PRELIMINARY APPROVAL OF THE SETTLEMENT**

16. The Settlement for each participating Class Member is fair, reasonable, and adequate given the inherent risk of litigation, the risk relative to trial, and the costs of litigation. The Settlement represents a fair and reasonable value of all claims. There is no claim form required so all Class Members will be paid unless they opt out, and there is no reversion to Defendants. Finally, the only governmental involvement in this case is the existence of a PAGA claim, and Plaintiff has notified the LWDA of this Settlement. (Ex. 3.) The Settlement Amount balanced against the merits of the Plaintiff's case is reasonable.

17. Here, the Settlement was reached through arm's-length negotiation with an experienced, highly regarded neutral mediator, Lonnie Giamela, Esq. Before mediation, the Parties engaged in informal discovery. To prepare for the mediation, Defendants provided documentation of its policies and practices and data related to the claims asserted in this case,

1 including time and pay data for approximately 70.5% of the class (information for 237  
2 individuals from a class size of 336), and other information necessary for Plaintiff to create a  
3 damages exposure analysis. Plaintiff hired an expert, Berger Consulting Group – Economic Data  
4 Analysts, to prepare damage calculations and an exposure analysis for the mediation. Attached  
5 hereto as **Exhibit 4** is the Declaration of Jarrett Gorlick of Berger Consulting Group. The Parties  
6 agreed on the proposed Settlement after extensive negotiations that resulted in a mediator’s  
7 proposal.

8         18.     The Settlement here provides pro rata distribution to Class Members based upon  
9 the number of workweeks. (Ex. 1, p. 3.) Accordingly, the Settlement treats the Class Members  
10 equitably, and the proposed distribution plan supports preliminary approval.

11         19.     The Settlement that has been reached, subject to this Court’s approval, is the  
12 product of significant effort and a great deal of expense by the Parties and their Counsel. Class  
13 Counsel are knowledgeable about and have done extensive research with respect to the  
14 applicable law and potential defenses to the claims of the Class Members. The Parties  
15 investigated relevant law as applied to the facts of the case, potential defenses, and damages  
16 claimed by Plaintiff on behalf of themselves, the Class, and the Aggrieved Employees. Although  
17 the Parties did not settle at the mediation, after post-mediation negotiations, the Parties accepted  
18 a mediator’s proposal.

19         20.     Based on the documents and information provided by Defendants and their own  
20 independent investigation and evaluation, Class Counsel and Plaintiff are of the opinion that the  
21 Settlement with Defendants for the consideration and on the terms set forth in this Settlement is  
22 fair, reasonable, and adequate, and is in the best interest of the Class Members in light of all  
23 known facts and circumstances, including the risk of significant delay and uncertainty associated  
24 with litigation, various defenses asserted by Defendants, and numerous potential appellate issues.

25         21.     The Gross Settlement Amount is, of course, a compromise figure. Plaintiff  
26 considered the risks of decertification, the risks related to proof of Plaintiff’s claims, and the  
27 strengths and weaknesses of Defendants’ defenses. Plaintiff also considered the possibility that if  
28 a settlement were reached after additional years of litigation, the great expenses of litigation

1 would reduce the amount of funds available to class members for settlement. Furthermore,  
2 Plaintiff took into consideration the time delay and financial repercussions of liability trials,  
3 numerous damages trials, and the possibility of an appeal by Defendants. The details for the  
4 reasonably expected recovery per claim are detailed below in the following paragraphs.

5       **22. Failure to Pay Overtime at the Legal Rate:**

6               *a. Facts*

7       Plaintiff alleged that Class Members were consistently required to perform work, off-the-  
8 clock, for which they were not paid wages. Specifically, Plaintiff and Class Members were  
9 required to spend time before clocking in entering the premises, turning on and booting up work  
10 equipment, and assisting customers. Plaintiff and Class Members were also required to conduct  
11 work activities after clocking out due to understaffing, such as helping customers and other  
12 employees. Further, Defendants required Plaintiff and Class Members to use their personal  
13 vehicles for work-related purposes, including traveling between company locations for two (2) to  
14 three (3) hours off the clock. Finally, Plaintiff and Class Members were required to use their  
15 personal cell phones for work-related activities off-the-clock, answering work calls and texts.  
16 The foregoing and uncompensated time was under the control and direction of defendants, for  
17 which no wages were paid.

18       Additionally, Defendants provided Class Members with nondiscretionary payments,  
19 including but not limited to bonuses and incentives; however, Defendants failed to correctly  
20 consider these additional payments in the computation of the regular rate of pay to determine the  
21 legal overtime pay for the Class Members. As a result, Class Members suffered underpayment  
22 because Defendants failed to include all remuneration when calculating overtime pay. Thus,  
23 Defendants did not include the bonus in the calculation of the regular rate of pay for purposes of  
24 calculating overtime compensation.

25               *b. Law*

26       Labor Code section 510 and Section 3 of the applicable Wage Order require employees  
27 to pay non-exempt employees overtime wages of no less than one and one-half (1.5) times their  
28 respective regular rates of pay for all hours worked in excess of eight (8) hours in one workday,

1 all hours worked in excess of forty (40) hours in one workweek, and/or for the first eight (8)  
2 hours worked on the seventh consecutive day of one workweek.

3 “[A]n employee’s ‘regular rate of pay’ for purposes of Labor Code section 510 and the  
4 IWC wage orders is not the same as the employee’s straight time rate (i.e., his or her normal  
5 hourly wage rate).” (*Alvarado v. Dart Container Corp. of California* (2018) 4 Cal.5th 542, 554.)  
6 Instead, the regular rate of pay must include “adjustments to the straight time rate, reflecting,  
7 among other things, shift differentials and the per-hour value of any non-hourly compensation  
8 the employee has earned,” such as incentive pay. (*Ibid.*) Earned bonuses must be included in the  
9 calculation of the regular rate of pay. (*Marin v. Costco Wholesale Corp.* (2008) 169 Cal.App.4th  
10 804, 807 [holding that bonus must be included in overtime rate calculation]; 29 U.S.C. § 207(e)  
11 [regular rate includes “all remuneration for employment paid to, or on behalf of, the  
12 employee”].)

13 *c. Expected Recovery*

14 The data provided by Defendants showed underpaid overtime wages equal to  
15 approximately **\$349,130.00**, excluding interest. Plaintiff did not apply any discount to this claim  
16 because proof of this violation is based purely on the pay records.

17 **23. Failure to Provide All Meal Periods:**

18 *a. Facts*

19 Defendants failed to provide legally compliant meal breaks to Plaintiff and other Class  
20 Members. Specifically, Plaintiff and Class Members were prohibited from leaving the work  
21 premises during meal periods, when such meal periods were taken. Additionally, due to  
22 understaffing, heavy workloads, and pre-shift uncompensated working hours Plaintiff and Class  
23 Members were denied the opportunity to take timely meal periods prior to the completion of  
24 their fifth hour of work. Furthermore, Plaintiff and Class Members were not relieved of all work  
25 duties during unpaid meal periods and were required to keep working during meal breaks,  
26 including having to keep and monitor their personal cell phones, and remain available for work  
27 calls during breaks.

28 ///

1                   **b.       Law**

2           Employers must generally provide “a first meal period [of at least 30 minutes] no later  
3 than the end of an employee's fifth hour of work, and a second meal period [of at least 30  
4 minutes] no later than the end of an employee's 10th hour of work.” (*Brinker v. Superior Court*  
5 (2012) 53 Cal.4th 1004, 1041.)

6           Labor Code § 226.7 and the wage order require employers to pay non-exempt employees  
7 an additional hour of premium wages at the employee’s regular rate of compensation on each  
8 workday that the employee is not provided with a meal break. The regular rate must include all  
9 remuneration in its calculation, including nondiscretionary bonuses. (*Ferra v. Loews Hollywood*  
10 *Hotel, LLC* (2021) 11 Cal.5th 858, 863.)

11                   **c.       Expected Recovery**

12           Plaintiff’s damages analysis determined that the data showed unique meal break  
13 violations net of waivers and premiums at 13.9%, yielding a maximum recovery of  
14 approximately \$710,728.00. However, Defendants paid meal premiums equal to \$286,356,  
15 offsetting the maximum recovery and resulting in a total of \$424,372 owed for alleged meal  
16 break violations.

17           Defendants contended that employees were provided with the opportunity to take all meal  
18 periods, and if they did not do so, it was purely voluntary. Defendants argued that under  
19 California law, employers do not have a duty to ensure that employees take all meal periods, so  
20 long as they provide meal periods and do not inhibit employees from taking all compliant meal  
21 periods. Further, Defendants paid meal period premiums for some facial meal period violations  
22 and alleged that a significant portion of Class Members had executed meal period waivers.  
23 Accordingly, the realistic recovery for the meal period is approximately 40%. **As a result, the**  
24 **reasonable value is estimated to be approximately \$169,748.80.**

25           **24.       Failure to Authorize and Permit All Rest Periods:**

26                   **a.       Facts**

27           Plaintiff alleged that Defendants failed to authorize and permit rest periods. Plaintiff  
28 and Class Members were not provided with rest periods of at least ten (10) minutes for each four

(4) hour work period, or major fraction thereof, due to (1) Defendants' policy of not scheduling each rest period as part of each work shift, including second rest breaks for shifts of six (6) hours or more; (2) no formal compliant written rest period policy that encouraged employees to take their rest periods, or that properly advised Plaintiff and Class Members of their rest period rights; (3) Defendants' policy and practice of requiring putative class members to continue working through their rest breaks due to the excessive workload, including having to keep and monitor their personal cell phones, and remain available for work calls during breaks.

Additionally, Defendants' rest period policies were noncompliant as they failed to state that rest periods must be uninterrupted and duty-free.

*b. Law*

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

*c. Expected Recovery*

Plaintiff's damages analysis assumed a 100% violation rate on shifts of 3.5 or more hours for an estimated maximum recovery is approximately \$2,692,136 in unpaid rest period premiums. Defendants contended that Class Members were permitted all required breaks and were not discouraged or prevented from taking their rest breaks. Because no records reflect whether the Class Members took rest breaks, the probability of prevailing on this claim was approximately 10%. **As such, the realistic exposure for this claim is approximately \$269,213.60.**

**25. Failure to Pay Proper Reporting Time Wages:**

*a. Facts*

Plaintiff alleged that Defendants also had a common policy and practice of failing to pay Plaintiff and Class Members all reporting time pay to which they were entitled under California

1 Law. Specifically, Plaintiff and Class Members were required to call in or otherwise show up to  
2 work for less than two (2) hours, but were not paid for their full scheduled shift.

3 *b. Law*

4 California IWC Order 1-16, Section 5 states that when an employee reports to work but is  
5 given less than half of their scheduled day's work, the law requires their employer to compensate  
6 the worker for half of their regularly scheduled shift, at their regular rate of pay. This  
7 compensation shall be no less than two hours of pay, and no more than four.

8 *c. Expected Recovery*

9 Plaintiff's expert did not conduct any analysis for reporting time pay violations.  
10 However, assuming a single violation for each workweek at the regular rate of pay, the total  
11 liability is as follows: 1 violation x 15,203 workweeks x \$31.24 average regular rate of pay =  
12 \$474,941.72. Defendants argued that such instances of unrecorded and/or unpaid reporting time  
13 pay are negligible and that Defendants paid wages for any period of time that the employee was  
14 clocked in for any given day. Because no records clearly show Class Members not being paid  
15 reporting time pay, the probability of prevailing on this claim was approximately 10%. **As such,**  
16 **the realistic exposure for this claim is approximately \$47,494.17.**

17 **26. Failure to Pay Proper Vacation Wages:**

18 *a. Facts*

19 Plaintiff alleged that Defendants also had a common policy and practice of systemically  
20 failing to pay Plaintiff and Class Members the requisite and accrued vacation time pay in  
21 accordance with California Law. Specifically, Defendants maintained an illegal cap on vacation  
22 time. Further, Defendants failed to pay Plaintiff and Class Members for accrued vacation time  
23 upon the separation of employment.

24 *b. Law*

25 California Labor Code section 227.3 provides:

26 Unless otherwise provided by a collective-bargaining agreement,  
27 whenever a contract of employment or employer policy provides for  
28 paid vacations, and an employee is terminated without having taken off  
his vested vacation time, all vested vacation shall be paid to him as  
wages at his final rate in accordance with such contract of employment

1 or employer policy respecting eligibility or time served; provided,  
2 however, that an employment contract or employer policy shall not  
3 provide for forfeiture of vested vacation time upon termination. The  
4 Labor Commissioner or a designated representative, in the resolution of any  
dispute with regard to vested vacation time, shall apply the principles of equity  
and fairness.

5 Additionally, The DLSE, and supporting California case law, has noted that while caps in  
6 vacation accrual are legal, they must be “reasonable.” The DLSE previously had explicitly stated  
7 that any cap on accrual less than 1.75 times the employee’s annual accrual was unreasonable.  
8 While the DLSE has removed the specific 1.75 value, it is generally accepted that the rule has  
9 persisted.

10 *c. Expected Recovery*

11 Plaintiff’s expert did not conduct any analysis for reporting time pay violations.  
12 However, assuming a single violation for terminated employee at the regular rate of pay, the total  
13 liability is as follows: 5 hours of unpaid vested vacation x 197 terminated employees x \$31.24  
14 average regular rate of pay = \$30,771.40. Defendants argued that not every Class Member was  
15 accruing and/or eligible for vacation and that its policies were compliant and did not include any  
16 caps. Plaintiff estimates that the probability of prevailing on this claim was approximately 50%.  
17 **As such, the realistic exposure for this claim is approximately \$15,385.70.**

18 **27. Unlawful Receipt and Collection of Wages**

19 *a. Facts*

20 Plaintiff alleged that Defendants had a common policy and practice of unlawfully  
21 receiving and/or collecting wages from Plaintiff and Class Members. Specifically, Defendants’  
22 deducted Plaintiff and Class Members’ vested wages for unspecified and invalid reasons.

23 *b. Law*

24 Labor Code § 221 provides, “It shall be unlawful for any employer to collect or receive  
25 from an employee any part of wages theretofore paid by said employer to said employee.”

26 *c. Expected Recovery*

27 Plaintiff’s expert did not conduct any analysis for unlawful receipt and collection of  
28 wages. However, the deductions that were alleged by Plaintiff were few in number and were for

1 small amounts. Defendants denied any collection of wages without employee authorization, and  
2 alleged that this claim has no merit and that Class Members did not suffer any violation of this  
3 nature even if Plaintiff had done so. The Parties assigned zero value to this claim.

4       **28. Failure To Provide Accurate Written Wage Statements:**

5               *a. Facts*

6       Plaintiff alleged that Defendants issued improper wage statements to Plaintiff and Class  
7 Members because Defendants' wage statements did not always contain all requisite information,  
8 including but not limited to all applicable hourly rates in effect during the pay period and the  
9 corresponding number of hours worked at each hourly rate by the employee.

10       In addition to the independent violations, if Plaintiff prevails on any of the underlying  
11 claims, she will prevail on the derivative Labor Code § 226 claim. Because of Defendants'  
12 allegedly illegal wage and hour policies as set forth above, all wages earned, and all hours  
13 worked were not accurately reflected on Class Members' wage statements.

14               *b. Law*

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

19               *c. Expected Recovery*

20       Plaintiff's damages analysis estimated that the maximum recovery for this claim was  
21 approximately \$406,500 for the one-year statutory period, which included approximately 145  
22 Class Members per Defendants' records. However, Plaintiff must prove intentional violations to  
23 prevail. Further, this is a penalty and not a wage loss, and courts rarely grant the full amount of  
24 the penalty. Based on these risks, **the realistic exposure for this claim is approximately 50%**  
25 **of the maximum, for a total expected recovery of \$203,250.**

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

27               *a. Facts*

28       If Plaintiff prevails on any of the underlying wage claims, she will prevail on the

1 derivative Labor Code § 203 claim, because Defendants have not paid all wages and penalties  
2 because of these alleged violations.

3 *b. Law*

4 Under Labor Code § 203, the approximately 197 Class Members who are no longer  
5 employed by Defendants are entitled to 30 days of waiting time penalties because Defendants did  
6 not pay them all wages due and/or related penalties upon separation.

7 *c. Expected Recovery*

8 During the statutory period, approximately 197 employees left Defendants' employ.  
9 Based on average hourly rates, the 30-day maximum waiting time penalties for those Class  
10 Members is \$1,160,464. Plaintiff has around a 20% chance of prevailing at the time of trial on  
11 this claim as it is simply derivative of the underlying claims, and Plaintiff must prove this is a  
12 "willful" violation to prevail. Furthermore, trial judges rarely if ever grant the full amount of the  
13 penalty on top of wages owed. Finally, there are the general risks of trial. **As such, the realistic**  
14 **maximum exposure for this claim was approximately \$232,092.80.**

15 **30. Failure to Indemnify – Labor Code § 2802:**

16 *a. Facts*

17 Plaintiff and Class Members were required to use their personal cell phone for work both  
18 on and off the clock, incurring costs for phone usage and maintenance. In addition, Plaintiff and  
19 Class Members were required to use their personal vehicles for work-related purposes, incurring  
20 costs for gasoline, maintenance, and other transportation costs. Defendants never paid Plaintiff  
21 and Class Members for these necessary work expenses. Additionally, Defendants'  
22 reimbursement policy clearly states that Defendants will not reimburse employees for using their  
23 personal devices for business purposes. Plaintiff alleged that the use of the cell phone was  
24 necessary for business purposes.

25 Defendants alleged that they had implemented changes to the practices they had in the  
26 past and began to reimburse Class Members, including Plaintiff, for the use of their cellular  
27 phones at some point during the Class Period. Additionally, Defendants alleged that Class  
28 Members did not use their personal vehicles for business purposes and did not have any reason to

do so. Thus, Defendants contended that their liability was much lower than Plaintiff's estimates suggested.

*b. Law*

Labor Code section 2802(a) states that an employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful.

*c. Expected Recovery*

Plaintiff estimated \$10 per month in reimbursements that were owed to each Class Member. Based on this assumption, the total liability was calculated as follows: \$10 per month x 15,203 workweeks divided by 4 (to get the number of months) = \$152,030. Plaintiff subsequently applied a 50% discount for the phone use reimbursements paid by Defendants and the low liability for personal vehicle expense costs. **As such, the realistic maximum exposure for this claim was approximately \$76,015.**

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

32. Regarding the claim for violations of the Private Attorneys General Act (PAGA), the maximum potential exposure is \$646,300 using the initial violation rate of \$100 per pay period per alleged violation. The strength of the PAGA claim would be impacted by the factors discussed above for the non-PAGA claims. Based on recent PAGA decisions, even if Plaintiff was successful on this claim through trial, the Court would likely exercise its discretion under PAGA and significantly reduce the penalties and would also not impose PAGA penalties on top of Cal. Labor Code § 226 and 203 penalties. Thus, the PAGA penalties were reduced by 75% for a realistic exposure of a total of \$161,575 in PAGA penalties. Given the discretionary nature of

PAGA penalties and the need to prove each underlying violation, the \$20,000 that the parties allocated to PAGA Penalties is a reasonable settlement of that claim. Of this amount, 25%, or \$5,000, will be distributed to Aggrieved Employees.

33. The proposed PAGA Penalties portion of the Settlement is both just and in the public's interest. The Parties believe and agree that the Settlement provides for a fair, adequate, and reasonable resolution of the representative PAGA claim. The Parties also believe that the proposed Settlement is to the advantage of the State of California and the Aggrieved Employees when considering the time and expense necessary to complete protracted litigation which, regardless of the verdict, would undoubtedly be subject to further significant delay and expense pending possible appeals. Moreover, the Settlement provides a substantial sum to the State. It also provides a small sum to each Aggrieved Employee on a pro-rata basis based on the number of PAGA Pay Periods they worked during the PAGA Period (defined as the period from February 6, 2023, through October 31, 2025.) There are approximately 119 Aggrieved Employees who worked a total of approximately 6,463 PAGA Pay Periods. (Ex. 1, p. 7.)

34. Based upon the foregoing, this case had a reasonable value of approximately \$1,362,330.07 for the underlying Labor Code claims. After considering the sharply disputed factual and legal issues involved in the lawsuit, the risks attending further prosecution, and the substantial benefits to be received under the compromise and settlement of the action, Class Counsel are of the opinion that settlement is in the best interests of the Class and is fair and reasonable. Accordingly, the Gross Settlement Amount of \$298,500.00 represents approximately 21.9% of the maximum potential value of the underlying Labor Code claims (valued at \$1,362,330.07) and approximately 19.6% of the overall value including PAGA penalties (total case value of \$1,523,905.07 (\$1,362,330.07 + \$161,575), which is an exceptional result.

35. After analyzing and weighing the evidence discussed above as well as the legal issues, Class Counsel and Plaintiff concluded that the settlement of \$298,500 represents a fair and reasonable discount from the realistic recovery. The Settlement will allow the parties to avoid the expense and time commitments of continued litigation and provides a significant benefit for the Class which would not otherwise have been available. The Gross Settlement

Amount is a fair, reasonable, and adequate settlement for the claims at issue.

**VI. THE NOTICE PROCEDURE SHOULD BE APPROVED.**

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

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

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

**VII. ATTORNEYS' EXPERIENCE**

39. D.Law (formerly known as Davtayan Law Firm) prosecutes wage and hour cases, including class actions and PAGA actions on behalf of employees and others who have had their rights violated. D.Law, either on its own or with co-counsel, is currently serving as plaintiffs' counsel of record in numerous wage and hour and employment class action and PAGA action cases pending in both state and federal court. D.Law is well-qualified and has ample experience, knowledge, and resources to act as counsel and represent Plaintiff and the putative Class and aggrieved employees in this action. Our practice is exclusively focused on employment matters and representing plaintiffs in wage and hour actions with the same or similar causes of actions

1 brought forth in the matter pending before this Court.

2         40. D.Law has litigated and successfully resolved many wage and hour class action  
3 cases involving failure to pay wages and derivative Labor Code claims and penalties. See e.g. *De*  
4 *La Rosa v. The Coca Cola Company et al.* (Superior Court of California in Napa, 17CV000787),  
5 *Harvey v. Bed Bath & Beyond of California Limited Liability Company* (Superior Court of  
6 California in Alameda, RG17885153), *Paredes v. Bottling Group LLC et. al.* (Superior Court of  
7 California in Kern), *Ramirez v. Harris Ranch Beef Company* (Superior Court of California in  
8 Fresno, 16CECG04103), *Gates v. Gate Gourmet, Inc. et. al.* (Southern District of California, 16-  
9 cv-01084-L-AGS), *Hargrave v. Antelope Valley Hospital* (Superior Court of California in Los  
10 Angeles, BC663252), *Ramirez v. Milton Roy et. al.* (Superior Court of California in Los Angeles,  
11 BC 632 276), *Hawkins v. AvalonBay Communities* (Superior Court of California in Santa Clara,  
12 17CV316492), *Jones Tharpe et al. v. Sprint Corporation et al.* (Superior Court of California in  
13 Los Angeles, BC644645), *Ortega et al. v. Nestle Waters North America, Inc. et al.* (Superior  
14 Court of California in Los Angeles, BC623610), *Schultz v. Jimbo's Natural Family, Inc.*  
15 (Superior Court of California in San Diego, 37-2017-00022348-CUE-OE-CTL), *Ambrose v.*  
16 *Victor Valley Global et al.* (Superior Court of California in San Bernardino, CIVDS1709289),  
17 *Puerta-Gildardo v. Real Time Staffing Services LLC et. al.* (Superior Court of California in Los  
18 Angeles, BC565445), *Vargo v. Pregis Innovative Packaging LLC* (Superior Court of California  
19 in Tulare, 270836), *Conlin v. Aegis Senior Communities LLC* (Northern District of California,  
20 17-cv-05534-LHK), *Galarza v. Kloeckner Metals Corporation* (Central District of California,  
21 2:17-cv-04910-FMO), *Estes v. L3 Technologies, Inc. et al.* (Southern District of California, 3:17-  
22 cv-02356-H-JMA), *Rowser v. Trunk Club, Inc.* (Central District of California, 2:17-cv-05064-  
23 DSF-RAO), *Leach v. The Claremont Colleges, Inc.* (Superior Court of California in Los  
24 Angeles, BC686451), *Vaesau v. PCT Enterprises, Inc. dba Precision Cabinets* (Superior Court  
25 of California, County of Contra Costa MSC18-02404), *Terry v. TF Louderback, Inc. dba Bay*  
26 *Area Beverage Company* (Superior Court of the State of California, County of Contra Costa,  
27 MSC18-00859), *Roach v. Westcare California, Inc.* (Superior Court of California in Kern  
28 County, BCV-17-102367-SDS), *Patton v. Church & Dwight Co., Inc.* (Central District of

1 California, EDCV 18-903-MWF (KKx)), *Juarez v. ISL Employees, Inc.* (Superior Court of  
2 California in Madera, MCV074787), *Ferraro v. USC Verdugo Hill s Hospital, et al.* (Superior  
3 Court of California in Los Angeles, 18STCV09463), *Ford v. Account Control Technology, Inc.,*  
4 *et al.* (Superior Court of California in Los Angeles, 19STCV09369), *Ornelas v. iStorage, et al.*  
5 (Superior Court of California in San Francisco, CGC-18-571421), *Martinez v. Ronpak, Inc.*  
6 (Superior Court of California in Riverside, RIC1901307), *Barrera et al. v. Exclusive Wireless,*  
7 *Inc.* (Superior Court of California in Stanislaus, 9000687), *Barajas v. Mancha Development*  
8 *Company LLC* (Superior Court of California in Orange County, 30-2018-00974707-CU-OE-  
9 CXC), *Prado v. IMAX Corporation dba IMAC Worldwide Home* (Superior Court of California in  
10 San Bernardino, CIVDS1820265), *Rodriguez v. ND Industries, Inc.* (Superior Court of California  
11 in Los Angeles, 19STCV38096), *Singletary v. Motel 6 Operating LP, et al.* (Southern District of  
12 California, 3:20-cv-0270-LAB-AHG), *Quizon v. CF Watsonville East, LLC, et al.* (Superior  
13 Court of California in Santa Cruz, 20CV01868), *Stephenson v. Bakersfield Dodge, Inc.* (Superior  
14 Court of California in Kern, BCV-20-102693), *Bacerra v. Hugo Boss Retail, Inc.* (Superior  
15 Court of California in San Diego, 37-2021-00002933-CU-OE-CTL), *Walker v. Ariat*  
16 *International, Inc.* (Superior Court of California in Alameda, HG19026439), *Orr v. Petvet Care*  
17 *Centers (California) Inc.* (Superior Court of California in Santa Clara, 19CV354063), *Jimenez v.*  
18 *OEC Distribution Services, Inc.* (Superior Court of California in San Bernardino,  
19 CIVDS1915743), *Virdi v. Absolute Security International* (Superior Court of California in San  
20 Bernardino, CIVDS 1909589), *Raj v. First Transit, Inc* (Superior Court of California in  
21 Sacramento, 34-2021-00295895-CU-OE-GDS), *Marchbanks v. Torrid Administration, Inc.*  
22 (Superior Court of California in San Diego, 37-2020-00008179-CU-OE-NC), among others.

23 41. I am an Associate Attorney at D.Law, focusing exclusively on class action and  
24 PAGA cases. I was admitted to the California Bar in May of 2021. I received both my B.A. and  
25 J.D. from University of California, Los Angeles (UCLA). Since graduating from law school, I  
26 have practiced exclusively in the area of employment law, including both defense side and  
27 Plaintiff side positions. During my career, I have represented employees in wage-and-hour class  
28 action lawsuits as counsel, and I have worked to obtain six and seven figure settlements against a

1 range of defendants. These cases have involved the gamut of wage-and-hour claims, including  
2 claims for failure to pay minimum wages, unpaid wages and overtime, failure to provide meal  
3 breaks, inaccurate pay statements, and failure to pay timely wages - similar to claims at issue in  
4 the present matter. I am experienced in prosecuting employment matters, particularly class  
5 actions. In addition to the present case, I am also class counsel for dozens of other putative wage-  
6 and-hour class-action lawsuits pending in various state and federal jurisdictions throughout  
7 California.

8 42. Attorney David Yeremian is Managing Attorney at D.Law and counsel of record  
9 for Plaintiff. Mr. Yeremian graduated from UC Berkeley in 1997 and received his law degree  
10 and MBA from UCLA in 2001. Mr. Yeremian has been honored as a Super Lawyers Rising Star  
11 in 2009, 2010, 2012-2015 and has been named and honored as a Super Lawyer. Since 2007, Mr.  
12 Yeremian has focused exclusively on representing employees, including in wage-and-hour class  
13 actions. During his career, Mr. Yeremian has represented employees in hundreds of wage-and-  
14 hour class action lawsuits as lead or co-lead counsel (including in the Central, Southern, Eastern,  
15 and Northern Districts of California), and has obtained six and seven-figure settlements against a  
16 range of defendants, including Fortune 500 companies.

17 43. Attorney David Keledjian is Senior Counsel at D.Law and counsel of record for  
18 Plaintiff. Mr. Keledjian received his Bachelor of Arts in Economics from the California State  
19 University of Fullerton, in 2011, and then earned his Juris Doctorate from the Trinity Law  
20 School in May of 2015. Upon graduating from law school, Mr. Keledjian has exclusively  
21 focused his practice on representing employees, including in wage-and-hour class actions.

22 44. The collective experience of the D.Law attorneys in litigating employment wage  
23 and hour matters has been integral in identifying legal issues, evaluating the strengths and  
24 weaknesses of a case, and generally negotiating fair and reasonable class and representative action  
25 settlements. Practice in the narrow field of wage and hour litigation requires skill and knowledge  
26 concerning the constantly evolving substantive law (state and federal), as well as the procedural  
27 law of class and representative action litigation. In this action, the attorneys at D.Law are fully  
28 equipped to use the skills and knowledge developed over decades of prosecuting and defending

1 wage and hour class actions to fairly and adequately represent the interests of the Class Members  
2 and aggrieved employees. Therefore, based on our resources, experience, and knowledge, the  
3 attorneys at D.Law are well-qualified to act as class counsel and represent the Plaintiff and the  
4 putative Class Members and aggrieved employees in this action.

5 45. We understand the responsibilities owed as counsel to the Settlement Class  
6 Members and aggrieved employees we represent. The attorneys at D.Law thoroughly investigated  
7 the claims asserted in this action and have remained committed to dedicating the resources  
8 necessary to represent the Class and vigorously pursue their claims. Based upon my experience and  
9 understanding of the claims and defenses in this action, I believe the settlement is fair, adequate,  
10 and reasonable for the Class Members and aggrieved employees and all involved, and that the  
11 Settlement is well within the range of reasonableness that would permit it to be finally approved. I  
12 am not aware of any conflict of interest with Plaintiff or any other Class Member that would  
13 interfere with the duties as Class Counsel.

#### 14 **VIII. THE STIPULATED AWARD OF ATTORNEYS' FEES AND COSTS**

15 46. Under the Settlement, Class Counsel will request, without opposition from  
16 Defendants, an award of Attorneys' Fees and Costs consisting of: Ninety-Nine Thousand Five  
17 Hundred Dollars and Zero Cents (\$99,500.00), one-third of the Gross Settlement Amount, and  
18 actual reasonable litigation costs incurred for reimbursement of actual reasonable litigation costs.  
19 This request is fair, reasonable, and adequate to compensate Class Counsel for the substantial work  
20 they have put into this case and, moreover, the risk they assumed by taking it in the first place. The  
21 attorneys' fees award is intended to reimburse Class Counsel for all uncompensated work that they  
22 have already done and for all the work they will continue to do in carrying out and overseeing the  
23 notification to Class Members, communicating with Class Members regarding their claims, and  
24 assisting in the administration of the settlement if it is preliminarily approved. At the time of filing  
25 the Motion for Final Approval of Settlement and Attorneys' Fees and Costs, Plaintiff will submit  
26 detailed time records and invoices supporting the request for attorneys' fees and litigation costs.  
27 Defendants will not oppose Class Counsel's fees and cost request.

28 ///

1 **IX. THE CLASS REPRESENTATIVE SERVICE AWARD**

2 47. The Settlement provides for a Class Representative Service Payment of \$5,000.00  
3 for Plaintiff's service in litigating the action. Plaintiff has devoted a substantial amount of time to  
4 helping Class Counsel effectively develop and prosecute this action at every stage of the  
5 litigation. Plaintiff has provided Class Counsel with information about Defendants, reviewed  
6 documents, consulted Class Counsel throughout the litigation, participated in the mediation  
7 process, and reviewed and signed the settlement agreement. Plaintiff has spent a significant  
8 amount of time with Class Counsel detailing his knowledge of Defendants' practices. Plaintiff  
9 has diligently, adequately, and fairly represented the Class Members, and has not placed his  
10 interests above any member of the putative Class. This sort of payment to a Class representative  
11 has been a common feature of settlements negotiated by Class Counsel and routinely approved  
12 by courts. The Class Representative Service Payment of \$5,000.00 to Plaintiff is fair and  
13 reasonable.

14 **X. THE PRESENCE OF A GOVERNMENTAL PARTICIPANT**

15 48. Class Counsel will be submitting the Settlement Agreement to the LWDA  
16 concurrently with the filing of this motion pursuant to Labor Code § 2699(1)(2). On the date of  
17 the date of filing the Motion for Preliminary Approval, Plaintiff submitted the Motion to the  
18 LWDA. Attached hereto as **Exhibit 3** is the LWDA confirmation.

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

21 Executed on April 07, 2026, at Pasadena, California.

22  
23   
24 \_\_\_\_\_  
David Arakelyan, Esq.

EXHIBIT 1

EXHIBIT 1

## CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff THERESA MADRIGAL (“Plaintiff”) and Defendants DPEP, INC. dba LAKE ELSINORE CHRYSLER DODGE JEEP RAM CDJR and PEDDER AUTO MANAGEMENT LLC (“Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

### 1. DEFINITIONS.

- 1.1. “Action” means Plaintiff’s lawsuit alleging wage and hour violations against Defendants captioned *Theresa Madrigal v. DPEP, Inc., et al*, Case No. CVRI2400722, filed on February 6, 2024, in Superior Court of the State of California, County of Riverside.
- 1.2. “Administrator” means Phoenix Settlement Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means all persons who worked for Defendants as hourly, non-exempt employees in the State of California at any time during the PAGA Period.
- 1.5. “Class” means all persons who worked for Defendants as hourly, non-exempt employees in the State of California at any time during the Class Period.
- 1.6. “Class Counsel” means David Yeremian, David Keledjian, and David Arakelyan of D.Law, Inc.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means Class Member identifying information in Defendants’ possession including the Class Member’s name, last-known mailing address, Social Security number, beginning and end dates of employment, number of Workweeks during the Class Period, number of Pay Periods during the PAGA Period, and other information necessary to mail the Class Notice.
- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

- 1.10. “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.
- 1.11. “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 with a Spanish translation in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.
- 1.12. “Class Period” or “Settlement Class Period” means the period from February 13, 2020, through October 31, 2025.
- 1.13. “Class Representative” means the named Plaintiff in the Action seeking Court approval to serve as a Class Representative.
- 1.14. “Class Representative Service Payment” means the payment of \$5,000.00 to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.15. “Court” means the Superior Court of California, County of Riverside.
- 1.16. “Defendants” means DPEP, INC. dba LAKE ELSINORE CHRYSLER DODGE JEEP RAM, CDJR and PEDDER AUTO MANAGEMENT LLC.
- 1.17. “Defense Counsel” means Benjamin Berger and Margaret Byrne Ikeda of BERGER TREGLIA, PLC.
- 1.18. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21. “Gross Settlement Amount” or “GSA” means \$298,500.00, which is the total amount Defendants agree to pay under the Settlement except as provided in Paragraph 8 below.

- 1.22. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.23. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods worked during the PAGA Period.
- 1.24. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.25. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.26. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.27. “Net Settlement Amount” or “NSA” means Gross Settlement Amount, less the following payments in the amount approved by the Court: Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, the Administration Expenses Payment, Individual PAGA Payments, and the LWDA PAGA Payment.
- 1.28. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.29. “Operative Complaint” means the operative First Amended Complaint filed in the Action on April 10, 2024.
- 1.30. “Pay Period” means any pay period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.
- 1.31. “PAGA Period” means the period from February 6, 2023, through October 31, 2025.
- 1.32. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.)
- 1.33. “PAGA Notice” means Plaintiff’s February 5, 2024, letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.34. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and 75% to the LWDA in settlement of the Released PAGA Claims.
- 1.35. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

- 1.36. “Plaintiff” means THERESA MADRIGAL, the named plaintiff in the Action.
- 1.37. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval of the Class Action and PAGA Settlement.
- 1.39. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.40. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.41. “Released Parties” means Defendants and their present and former parent companies, subsidiaries, divisions, related entities, or affiliated companies, and their officers, directors, employees, agents, attorneys, insurers, re-insurers, successors and assigns.
- 1.42. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.43. “Response Deadline” means 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) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.44. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45. “Workweek” means any week during which a Class Member worked for Defendants for at least one day during the Class Period.

## **2. RECITALS.**

- 2.1. On February 6, 2024, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendants for (1) Failure to Provide Meal Periods (Lab. Code §§ 204, 223, 226.7, 512 and 1198); (2) Failure to Provide Rest Periods (Lab. Code §§ 204, 223, 226.7 and 1198); (3) Failure to Pay Hourly Wages and Overtime (Lab. Code §§ 223, 510, 1194, 1194.2, 1197, 1197.1 and 1198); (4) Failure to Pay Reporting Time Wages; (5) Failure to Pay Proper Vacation Wages (Lab. Code § 227.3); (6) Unlawful Collection and Receipt of Wages (Lab. Code § 221); (7) Failure to Provide Accurate Written Wage Statements (Lab. Code §§ 226(a)); (8) Failure to Timely Pay All Final Wages (Lab. Code §§ 201, 202 and 203); (9) Failure to Indemnify (Lab. Code § 2802); and (10) Unfair

Competition (Bus. & Prof. Code §§ 17200 et seq.) On February 6, 2024, Plaintiff gave timely notice to the LWDA and Defendants that Plaintiff intended to proceed with a representative action under PAGA (LWDA-CM-1009205-24) pursuant to Labor Code § 2699.3, subd.(a). On April 10, 2024, Plaintiff filed the First Amended Complaint, which added claims for civil penalties under Labor Code § 2698, *et seq.* (“Operative Complaint”).

- 2.2. Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint, and deny any and all liability for the causes of action alleged.
- 2.3. On August 12, 2025, the Parties participated in private mediation before Lonnie Giamela. After further discussions and negotiations, the Parties were able to reach a settlement in principle on October 1, 2025.
- 2.4. In advance of mediation, Class Counsel conducted a thorough investigation into the facts of, and applicable law to, the Action. Prior to mediation, Plaintiff also obtained and analyzed a sampling of time and payroll data for Class Members and the necessary policy documents through informal discovery to properly evaluate the strength and weaknesses of the claim and engage in meaningful settlement discussions. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116 (2008) (“*Dunk/Kullar*”).
- 2.5. The Court has not granted class certification because the Parties engaged in mediation before the class certification stage. The Parties are stipulating to class certification for settlement purposes only.
- 2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

### 3. **MONETARY TERMS.**

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendants will pay the Gross Settlement Amount of Two Hundred Ninety-Eight Thousand Five Hundred Dollars and Zero Cents (\$298,500.00) on a non-reversionary basis. The Gross Settlement Amount does not include employer payroll taxes owed on the wage portions of the Individual Class Payments, which Defendants will pay separately.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
  - 3.2.1 To Plaintiff: A Class Representative Service Payment to the Class Representative of not more than \$5,000.00 (in addition to any Individual Class Payment and any

Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendants will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. 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 of the Gross Settlement Amount, which is currently estimated to be \$99,500.00, and a Class Counsel Litigation Expenses Payment of actual and reasonable litigation costs and expenses incurred to prosecute the Action. Defendants will not oppose requests for these payments. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. 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. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment.
- 3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed \$8,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$8,000.00, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4 To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.
  - 3.2.4.1 Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 80% of each Participating Class Member's Individual Class Payment will be

allocated to settlement of claims for interest and penalties (the “Non-Wage Portion”). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

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

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$20,000.00 to be paid from the Gross Settlement Amount, with 75% allocated to the LWDA PAGA Payment and 25% 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’ share of PAGA Penalties 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 Pay Periods. 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. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

#### **4. SETTLEMENT FUNDING AND PAYMENTS.**

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendants represent that there are approximately 264 Class Members who collectively worked a total of about 15,203 Workweeks during the Class Period, and 119 Aggrieved Employees who worked a total of about 6,463 Pay Periods.

4.2. Class Data. Not later than 14 days after the Court grants Preliminary Approval of the Settlement, Defendants 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. Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline

by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount and also fund the amounts necessary to fully pay Defendants' share of payroll taxes by transmitting the funds to the Administrator no later than 10 days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment.

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

4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 3 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's

Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

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

5. **RELEASES OF CLAIMS.** Effective on the date when Defendants fully fund the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Aggrieved Employees will release claims against all Released Parties as follows:

5.1 **Plaintiff's Release.** Plaintiff and her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors and assigns generally, release and discharge Released Parties from all claims, transactions or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were or reasonably could have been alleged based on the facts contained in the Operative Complaint, and (b) all PAGA claims that were or reasonably could have been alleged based on facts contained in Plaintiff's PAGA Notice. ("Plaintiff's Release.") 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, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. 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.

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

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

5.2 **Release by Participating Class Members:** All Participating Class Members release the Released Parties from all claims that were alleged or reasonably could have been alleged based on the facts stated in the Operative Complaint ("Released Class Claims"). The Released Class Claims only apply to claims arising during the Class Period.

5.3 Release by Aggrieved Employees: All Aggrieved Employees are deemed to release the Released Parties from any and all claims for civil penalties under PAGA that were alleged or reasonably could have been alleged based on the facts stated in the PAGA Notice (“Released PAGA Claims”). The Released PAGA Claims only apply to claims arising during the PAGA Period.

6. **MOTION FOR PRELIMINARY APPROVAL**. Plaintiff will prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approval.

6.1. Plaintiff’s Responsibilities. Plaintiff will prepare all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under Dunk/Kullar and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (vii) all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator and/or the Cy Pres Recipient (if any). In their Declaration, Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2. Responsibilities of Counsel. Class Counsel will obtain a prompt hearing date for the Motion for Preliminary Approval, file the Motion for Preliminary Approval no later than 16 court days before the hearing, unless otherwise ordered by the Court, and deliver the Court’s Preliminary Approval Order to the Administrator.

6.3. Duty to Cooperate. If the 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 to serve as the Administrator and verified that, as a condition of appointment, Phoenix Class Action Administration Solutions agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4. Notice to Class Members.
  - 7.4.1 No later than three (3) calendar days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.
  - 7.4.2 Using best efforts to perform as soon as possible, and in no event later than 7 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice with Spanish translation, substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
  - 7.4.3 Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained.

The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

- 7.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.4.5 If the Administrator, Defendants or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

#### 7.5 Requests for Exclusion (Opt-Outs).

- 7.5.1 Class Members who wish to exclude themselves from (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. 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 validity and authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all

benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.1 and 5.2 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the Released PAGA Claims identified in Paragraph 5.2 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Workweeks and Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

7.7 Objections to Settlement.

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

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

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

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

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

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

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

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

- 7.8.5 Administrator's Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.
- 7.8.6 Final Report by Settlement Administrator. Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 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. **CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE.** Based on their records, Defendants represented at mediation there are approximately 264 Class Members who collectively worked a total of 15,203 Workweeks during the Class Period. If the total number of Workweeks is more than 10% higher (i.e., more than 16,723 workweeks), then the GSA is to be increased proportionally by the Workweeks worked in excess of 16,406 Workweeks multiplied by the per Workweek value. For example, if the total Workweeks for the Class Period represent an 11% increase in the number of Workweeks, then the Gross Settlement Amount will increase by 1%. If this provision is triggered, the Parties agree that the portion of the GSA allocated to attorneys' fees will increase proportionally such that the total amount of attorneys' fees remains one-third of the GSA after the upward adjustment required by this provision is implemented.
9. **DEFENDANTS' RIGHT TO WITHDRAW.** Defendants shall have the right to withdraw from this Settlement or terminate this Settlement if more than 20% of the Class Members submit timely requests to opt out of the Settlement. Defendants will be responsible for the Administration Expenses incurred to date upon its election to withdraw from the Settlement. Defendants 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.

**10. MOTION FOR FINAL APPROVAL.** Not later than 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”).

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 to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses 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, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

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

10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall

nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

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

**12. ADDITIONAL PROVISIONS.**

12.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

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

separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that “the matter was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s communications with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

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

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

12.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, 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 form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

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

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

- 12.9. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 12.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11. 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.
- 12.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 12.15. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.16. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 12.17. 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:

**D.Law, Inc.**

David Yeremian  
d.yeremian@d.law  
David Keledjian  
d.keledjian@d.law  
David Arakelyan  
d.arakelyan@d.law  
450 N. Brand Blvd., Suite 840  
Glendale, CA 91203  
Telephone: (818) 962-6465  
Fax: (818) 962-6469

To Defendants:

**BERGER TREGLIA**

Benjamin Berger  
[ben@bergertreglia.com](mailto:ben@bergertreglia.com)  
Margaret Byrne Ikeda  
[margaret@bergertreglia.com](mailto:margaret@bergertreglia.com)  
Telephone: (213) 623-9300  
Fax: (213) 623-9924  
601 South Figueroa Street; Suite 2500  
Los Angeles, CA 90017

12.18. 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.

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

DATED: February 11, 2026

Signed by: Theresa Madrigal  
0D888F80CF80407...  
 Theresa Madrigal

DATED: February 12, 2026

BY: Russ Ward  
 Name: Russ Ward  
 Title: Vice President  
 DPEP, INC. DBA LAKE ELSINORE CHRYSLER  
 DODGE JEEP RAM, LLC

DATED: February 12, 2026

BY: Russ Ward  
 Name: Russ Ward  
 Title: Vice President  
 PEDDER AUTO MANAGEMENT LLC

DATED: February 3, 2026

**D.LAW, INC.**

BY: [Signature]  
 David Yeremian  
 David Keledjian  
 David Arakelyan  
 Counsel for Plaintiff Theresa Madrigal

DATED: February 13, 2026

**BERGER TREGLIA**

BY: [Signature]  
 Benjamin Berger  
 Margaret Byrne Ikeda  
 Counsel for Defendants

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

*Theresa Madrigal v. DPEP, Inc., et al*  
Riverside County Superior Court, Case No. CVRI2400722

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

**You may be eligible to receive money** from an employee class action lawsuit (“Action”) against Defendants DPEP, INC. dba LAKE ELSINORE CHRYSLER DODGE JEEP RAM CDJR, and PEDDER AUTO MANAGEMENT LLC; (“Defendants”) for alleged wage and hour violations. The Action was filed by a former employee of Defendant, Plaintiff THERESA MADRIGAL (“Plaintiff”) and seeks payment of (1) back wages and other relief for a class of hourly employees (“Class Members”) who worked for Defendant during the Class Period (February 13, 2020 through October 31, 2025); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all hourly employees who worked for Defendants during the PAGA Period (February 6, 2023 through October 31, 2025) (“Aggrieved Employees”).

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

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

The above estimates are based on Defendants’ records showing that **you worked [REDACTED] Pay Periods** during the Class Period and **you worked [REDACTED] Pay Periods** during the PAGA Period. If you believe that you worked more 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 proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not 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 attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

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

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendant.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendants, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.
- (3) **Object.** You can write to the Settlement Administrator if you think the Settlement is not fair or you can appear at a hearing to explain to the Court why you think the Settlement is not fair.

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

#### **SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT**

|                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>You Don't Have to Do Anything to Participate in the Settlement</b>                                                                                                                | 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 wage claims against Defendants that are covered by this Settlement (Released Claims).                                                                                                                                                                                                                                                              |
| <b>You Can Opt-out of the Class Settlement but not the PAGA Settlement</b><br><br><b>The Opt-out Deadline is <span style="background-color: yellow;">                    </span></b> | <p>If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.</p> <p>You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all</p> |

|                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                    | Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement</b><br><br><b>Written Objections Must be Submitted by</b> [REDACTED] | All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action 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. |
| <b>You Can Participate in the</b> [REDACTED] <b>Final Approval Hearing</b>                                                                                         | The Court’s Final Approval Hearing is scheduled to take place on [REDACTED]. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.                                                                                                                                                                                                                                                       |
| <b>You Can Challenge the Calculation of Your Pay Periods</b><br><b>Written Challenges Must be Submitted by</b> [REDACTED]                                          | The amount of your Individual Class Payment and PAGA Payment (if any) depends on how many Pay Periods you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Pay Periods and number of PAGA Period Pay Periods you worked according to Defendants’ records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [REDACTED]. See Section 4 of this Notice.                                                                                                                                      |

## 1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendants. The Action accuses Defendants of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination, reporting time wages, vacation wages, final wages, unlawfully collecting wages, and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiff is represented by attorneys in the Action: David Yeremian, David Keledjian, David Arakelyan of D.Law, Inc. (“Class Counsel.”)

Defendants strongly deny violating any laws or failing to pay any wages and contend they have complied with all applicable laws.

## **2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?**

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

In the meantime, Plaintiff and Defendants hired an experienced, neutral mediator, Lonnie Giamela, in an effort to resolve the Action by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendants have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do 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) Defendants have 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) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed 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. Defendants Will Pay \$298,500.00 as the Gross Settlement Amount (Gross Settlement). Defendants have agreed to deposit the Gross Settlement Amount (GSA) into an account controlled by the Administrator of the Settlement within 15 days after the Court grants Final Approval of the Class and PAGA Action Settlement.

The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representatives’ Service Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, 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 \$99,500.00 (33.3% of the Gross Settlement to Class Counsel for attorneys' fees and actual and reasonable litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
- b. Up to \$5,000.00 in Class Representative Award to the named Plaintiff for filing the Action, working with Class Counsel and representing the Class. The Class Representative's Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
- c. Up to \$8,000.00 to the Administrator for services administering the Settlement.
- d. Up to \$20,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

- 3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Pay Periods.
- 4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages ("Wage Portion") and 80% to interest, penalties etc. ("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 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 Payments on IRS 1099 Forms.

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

- 5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will irrevocably lost to you because they will be paid to the California Controller's Unclaimed Property Fund.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [REDACTED] Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue wage and hour claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a 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 Class Members will not release any claims against Defendant.
8. 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 Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Pay Periods, mail and re-mail 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.
9. Participating Class Members' Release. After the Judgment is final and Defendants have fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action.

Except as set forth in Section 5 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendant has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice and ascertained in the course of the Action.

#### **4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?**

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Pay Periods worked by all Participating Class Members, and (b) multiplying the result by the number of Pay Periods worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$50,000.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Pay Periods you worked during the Class Period and the number of PAGA Pay Periods you worked during the

PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until [REDACTED] to challenge the number of Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendants' calculation of Pay Periods based on Defendants' 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 Participating Class Members) and Defendants' Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

## **5. HOW WILL I GET PAID?**

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment (if any).
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

**Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the 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?**

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Theresa Madrigal v. DPEP, Inc., et al*, Riverside County Superior Court, Case No. CVRI2400722, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by [REDACTED], or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

## 7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendants are asking the Court to approve. At least 14 days before the [redacted] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff are requesting as Class Representative Service Awards. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website <https://www.phoenixclassaction.com/classaction-settlements/> or the Court's website <https://epublic-access.riverside.courts.ca.gov/public-portal/?q=node/378>.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is [redacted]**. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as *Theresa Madrigal v. DPEP, Inc., et al*, Riverside County Superior Court, Case No. CVRI2400722, and include your name, current address, telephone number, and approximate dates of employment for Defendant and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. 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 don't have to, attend the Final Approval Hearing on [redacted] at [redacted] in [redacted] Department of the Riverside County Superior Court, located at 450 Main Street, Riverside, CA 92501. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, 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 Riverside County Superior Court Remote Appearances Link (<https://riverside-courts-ca-gov.zoomgov.com/j/1606384172#success>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website <https://www.phoenixclassaction.com/classaction-settlements/> beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

## **9. HOW CAN I GET MORE INFORMATION?**

The Agreement sets forth everything Plaintiff and Defendants have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to **the Settlement Administrator's** website at <https://www.phoenixclassaction.com/classaction-settlements/>. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://epublic-access.riverside.courts.ca.gov/public-portal/?q=node/378>) and entering the Case Number for the Action, Case No. CVRI2400722. You can also make an appointment to personally review court documents in the Clerk's Office at the Los Angeles Spring Street County Courthouse by calling (951) 777-3147.

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

#### Class Counsel:

D.Law, Inc.

David Yeremian

[d.yeremian@d.law](mailto:d.yeremian@d.law)

David Keledjian

[d.keledjian@d.law](mailto:d.keledjian@d.law)

David Arakelyan

[d.arakelyan@d.law](mailto:d.arakelyan@d.law)

250 N. Madison Ave., 2<sup>nd</sup> Floor

Pasadena, CA 91101

Telephone: (818) 962-6465

#### Settlement Administrator:

Name of Company: Phoenix Settlement Administration Solutions

Email Address: [info@phoenixclassaction.com](mailto:info@phoenixclassaction.com)

Mailing Address: P.O. Box 7208, Orange, CA 92863

Telephone: 800-523-5773

Fax Number: 949-209-2503

## **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 will have no way to recover the money.

## **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.

# REQUEST FOR EXCLUSION FORM

*Theresa Madrigal v. DPEP, Inc., et al*  
(Riverside County Superior Court, Case No. CVRI2400722)

[NAME]

[ADDRESS LINE 1]

[ADDRESS LINE 2]

**DO YOU WANT TO PARTICIPATE IN THE SETTLEMENT AND RECEIVE A SETTLEMENT CHECK? (check the box that applies)**

☐

**YES: *STOP HERE* -- DO NOT RETURN THIS FORM. NO FURTHER ACTION IS NEEDED TO PARTICIPATE IN THE SETTLEMENT.**

☐

**NO: SIGN, DATE AND RETURN THIS FORM TO EXCLUDE YOURSELF FROM THE SETTLEMENT.**

**DEFENDANT WILL NOT RETALIATE AGAINST YOU FOR PARTICIPATING OR NOT PARTICIPATING IN THIS SETTLEMENT.**

**By signing below, I am excluding myself from the Settlement:**

By signing below, I represent that I do NOT want to participate in the settlement in *Madrigal v. DPEP, Inc. et al* (Riverside Superior Court Case No. CVRI2400722). I understand by excluding myself that I will no longer be a Class Member, and I will not receive an Individual Class Payment. I further understand that I cannot opt-out of the PAGA portion of the Settlement, and that if I qualify as an Aggrieved Employee (see first page of the Notice), I will receive an Individual PAGA Payment and will have no right to pursue the Released PAGA Claims even if I exclude myself.

Signed on \_\_\_\_\_, 2026

[NAME]

MAIL TO THE ADMINISTRATOR, BY U.S. MAIL, POSTMARKED NO LATER THAN [INSERT DEADLINE]:

**Administrator:**

Name

Mailing Address

Telephone Number

**OBJECTION FORM**

SUPERIOR COURT OF THE STATE OF CALIFORNIA – COUNTY OF RIVERSIDE  
*Theresa Madrigal v. DPEP, Inc., et al*  
Case No.: CVRI2400722

**COMPLETE AND RETURN THIS FORM ONLY IF YOU WANT TO OBJECT TO THE SETTLEMENT IN THIS CASE.**

**DO NOT RETURN THIS FORM IF YOU WANT TO REQUEST EXCLUSION FROM THE SETTLEMENT.**

**IF YOU DO NOT HAVE ANY OBJECTIONS TO THE SETTLEMENT, DO NOT SUBMIT THIS FORM.**

I want to OBJECT to the Settlement in this case. My objections to the Settlement are (use additional pages if needed):

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Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

**To be valid, this Objection Form must be COMPLETE and mailed to the Settlement Administrator at the following address: PHOENIX CLASS ACTION ADMINISTRATION SOLUTIONS., xxxxxxxxxxxxxxxxxxxxxxxxx, and postmarked no later than           .**

EXHIBIT 2

EXHIBIT 2

1 D.LAW, INC.  
David Keledjian (SBN 309135)  
2 [d.keledjian@d.law](mailto:d.keledjian@d.law)  
David Arakelyan (SBN 337076)  
3 [d.arakelyan@d.law](mailto:d.arakelyan@d.law)  
250 N. Madison Ave., 2<sup>nd</sup> Floor  
4 Pasadena, CA 91101  
Telephone: (818) 962-6465  
5 Facsimile: (818) 962-6469  
6

7 Attorneys for Plaintiff THERESA MADRIGAL

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA

9 FOR THE COUNTY OF RIVERSIDE

10  
11 THERESA MADRIGAL, on behalf of herself  
and all others similarly situated, and the  
12 general public,

13 *Plaintiff,*

14 v.

15 DPEP, INC., a California corporation;  
PEDDER AUTO MANAGEMENT LLC, a  
16 California corporation; PEDDER  
AUTOMOTIVE, LLC, a California  
17 corporation; PEDDER NISSAN, LLC, a  
California corporation; LAKE ELSINORE  
18 CHRYSLER DODGE JEEP RAM, LLC, a  
business entity of unknown form; and DOES 1  
19 through 50, inclusive,  
*Defendants.*

Case No. CVRI2400722

*[Assigned for all purposes to the Hon. Harold  
W. Hopp, Dept. 1]*

**DECLARATION OF JODEY LAWRENCE  
FROM PHOENIX SETTLEMENT  
ADMINISTRATORS IN SUPPORT OF  
PLAINTIFF THERESA MADRIGAL'S  
MOTION FOR PRELIMINARY  
APPROVAL OF SETTLEMENT**

Date: April 30, 2026

Time: 8:30 A.M.

Dept.: 1

Complaint Filed: February 6, 2024

FAC Filed: April 10, 2024

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I, Jodey Lawrence, declare as follows:

1. I have personal knowledge of the facts set forth herein and if called upon to testify, I could and would do so competently under oath.

2. I am employed by Phoenix Class Action Administration Solutions (“Phoenix”), as President of Business Development.

3. I personally have over sixteen years of experience in claims management and administration of class and collective action matters.

4. Phoenix has never had any financial interest in, nor any affiliation with, the Parties or their counsel in the matter of *Madrigal v. DPEP, Inc. et al.* Phoenix also has no actual or potential conflicts of interest with the Class.

### **Qualifications and Experience as an Administrator**

5. A true and correct copy of Phoenix's Curriculum Vitae is attached hereto as **Exhibit A.**

6. Phoenix has extensive experience administering class action matters and has been appointed as the administrator in matters pending in both State and Federal courts. Phoenix has administered complex wage-and-hour, labor and employment, consumer/product liability, TCPA, FLSA, FACTA, ERISA, PAGA, and class action matters through final approval and distribution. Phoenix has developed a robust system of quality assurance measures to ensure that the highest quality service is provided.

7. Phoenix has extensive experience in, and are experts, at all aspects of administrating complex class action matters. This includes: (a) preparing, translating, printing, mailing and tracking privacy notices; (b) operating a 24/7/365 multi-lingual call center; (c) establishing settlement websites; (d) claims management; (e) USPS processes and systems, including third party tracing and the use of reverse telephone directory services; (f) database management, programming and security protocols; (g) calculating and issuing settlement payments; and (8) tax management, filings, and account reconciliation.

/ / /

8. Phoenix's Claims Management Group has extensive experience in all aspects of Notification and Identification of Class Members, Claims Processing, Formulation and Calculation Methodologies, Award Distribution and Taxation, and Accounting and Reconciliation.

## Protection of Class Data

9. Phoenix has adequate procedures in place to safeguard the data and funds to be entrusted to it. Phoenix's Technology and Banking Groups are directly involved with Management on all issues regarding Information Security and Settlement Fund transfers, as it pertains to the continuance of business processes, and all risk, vulnerability, and security assessments as it pertains to sensitive data. The groups, along with Phoenix's internal systems, monitor and communicate with Management on a comprehensive level to prevent potential Strategic or Compliance Risks. All processing of confidential and personal information is handled and maintained within the organization and therefore all data received is kept within a strict chain of custody internally. All informational assets are classified and assigned based on an initial case assessment as well as client and procedural requirements. The Technology Group handles all higher-level ownership of information and physical peripherals, as well as ownership of direct/indirect assets associated with technology and the continuance of business. Specific Users, Groups, or Entities are assigned Shared Ownership or Management Capability based on procedural needs and security level granted.

10. In addition to high levels of Data Center Policies/Procedures and Facility/Maintenance Security Protocols, Phoenix conducts semi-annual training to maintain additional safeguards regarding the following:

- a. Phoenix's Business Continuity Policy;
- b. Phoenix's Disaster Recovery Plan;
- c. Phoenix's Incident Response Plan;
- d. Phoenix's Personal Computer Security Policy;
- e. Phoenix's Data Archiving and Retention Policy;
- f. Phoenix's Personnel Security Policy;

- g. Phoenix's Risk Assessment;
- h. Phoenix's Service Provider Risk Assessment;
- i. Phoenix's Classification and Access Rights Policy;
- j. Phoenix's Password Policy;
- k. Phoenix's Certification of Destruction; and
- l. Phoenix's Security Awareness Training Program.

11. Phoenix currently maintains an errors and omissions insurance policy, with a limit of liability of \$2,000,000, in addition to cyber insurance policy, with a limit of liability of \$3,000,000.

#### **Procedures for Notice Preparation**

12. As part of the procedures for mailing the Class Notice, Phoenix will run the names of all Class Members through the National Change of Address Database ("NCOA") to determine any updated addresses prior to the initial mailing. If a Class Notice from the initial notice mailing is returned as undeliverable, Phoenix will attempt to obtain a current address for the Class Member to whom the returned Class Notice had been mailed within 3 (three) calendar days of receipt of the returned Class Notice by undertaking skip tracing. If Phoenix is successful in obtaining a new address, it will promptly re-mail the Class Notice to the Class Member. Furthermore, any Class Notices that are returned to Phoenix with a forwarding address before the Response Deadline will be promptly re-mailed to the forwarding address affixed thereto.

#### **Phoenix Policies/Procedures for Data Breach and/or Mishandling of Funds**

13. **Incident Identification and Reporting:** Phoenix utilizes monitoring tools and internal reporting procedures to promptly detect any suspected data breach or irregularity involving confidential information or case-related funds. Any employee who becomes aware of a potential incident must immediately notify Phoenix's Compliance and Information Security teams.

14. **Investigation and Containment Procedures:** Upon receiving notice of a suspected breach or mishandling event, Phoenix initiates an internal investigation to determine

scope, cause, and impact. Phoenix takes immediate steps to contain the incident, secure affected systems or funds, and prevent additional unauthorized access or transactions.

15. **Notification Protocols:** If a breach of confidential or personal information is confirmed, Phoenix follows all applicable legal and contractual notification requirements. This includes timely notification to counsel, affected Parties, and, when necessary, regulatory agencies. Phoenix provides details of the incident, corrective actions taken, and any recommended steps for impacted individuals.

16. **Remediation and Corrective Action** Phoenix promptly implement corrective measures to address identified vulnerabilities and prevent future incidents. This may include system enhancements, employee retraining, policy updates, or additional monitoring mechanisms.

17. **Detection of Financial Irregularities:** Any discrepancies, unauthorized transactions, or indications of mishandling are immediately escalated to Phoenix's Finance and Compliance teams. Phoenix reviews bank records, transaction logs, and authorization records to determine the root cause.

18. **Response to Mishandling of Funds:** If mishandling is confirmed, Phoenix takes immediate steps to correct the error, notify counsel, and implement appropriate safeguards. Phoenix may temporarily suspend affected processes until the issue is resolved, ensuring full accountability and documentation.

#### **Settlement Administration Cost**

19. Phoenix only employs certified and/or qualified translators to translate Court-approved notices for posting on Phoenix's website and dissemination to the Class.

20. Phoenix's costs are reasonable and competitive when compared to the industry.

21. To complete the settlement administration for this matter as defined herein, Phoenix's fee will include hard cost and hourly costs detailed below:

a. **Hard Cost:** Postage, Printing Supplies, Toll Free Setup, QSF Bank Setup, NCOA, Skip Tracing, Remailing, and Translation costs.

b. **Hourly Cost:** The hourly rates include Programming Database & Setup,

1 Project Management, Notice Packet Formatting, Programming Undeliverable, Programming  
2 Claims Database, Programming Calculations, Disbursement Review, Printing of Notice &  
3 Checks, Reconcile Uncashed Checks, Conclusion Reports, Potential Tax Filing, and Case  
4 Management/Maintenance.

5 22. Phoenix prepared a detailed breakdown illustrating how its fee was calculated.  
6 A true and correct copy of Phoenix's Will Not Exceed Total bid of \$8,000 is attached hereto  
7 as **Exhibit B**.

8  
9 I declare under the penalty of perjury under the laws of the United States and state of  
10 California that the foregoing is true and correct. Executed on March 17, 2026 Orange, California.

11  
12   
13 Jodey Lawrence

## **Exhibit A**



**1411 N. Batavia Street, Suite 105, Orange, CA 92867**

**800.523.5773**

**[www.phoenixclassaction.com](http://www.phoenixclassaction.com)**

## **CURRICULUM VITAE**

### **Phoenix, Class Action Administrators, PSA Overview**

Phoenix Settlement Administrators, PSA, is a National Class Action Notification and Claims Administration firm, located in Orange County, California. PSA's core competencies ensure delivery of the highest quality and accuracy to its Clients and Class members. With a combined 38 years of expert experience, PSA's Managing Partners, Case Supervisors, Managers and Associates, Data Programming, and Certified Secure Strategic Partners possess all the qualities that our clients expect throughout the Noticing and Administration process to Final Approval. It is our Value Pricing, Efficiency, Experience, Consultative Expertise and Delivery, that has perpetuated PSA, as an emerging leader in Class Action Settlement Administration. Expert PSA staff members are currently managing Consumer and Product Liability, TCPA, ADA, Complex Labor & Employment, FLSA, ERISA and PAGA cases.

PSA has over 400 Attorney & Law Firm Clients, which have entrusted us with the management of their claims administration, because of the "Boutique" attention every case receives. PSA is value driven on all size cases. large or small, cases receive expert management, secure data custody, neutral communication and a dedicated team. This seamless process maintains superior case continuity to ensure our clients receive timely final approval and conclusion to their actions. Phoenix Settlement Administrators implements its successful C.A.S.E. solutions on all our class action matters.

With Hundreds of Millions of dollars in award distributions and currently under management since our inception, PSA has the ability and strengths to manage all levels of Complex Cases. PSA's Staff "Synergy" is our greatest attribute. It allows our people to work closely together and solve our client's case issues. PSA prides itself as a true "Third Party Administrator" and holds Neutrality and Service as a mantra. Because of this approach, both Defense and Plaintiff Clients experience fairness, trust and confidence in us, and allows for continued business from both parties. PSA has been appointed Third Party Administrator in State and Federal Courts.

We look forward to working with you on your next Class Action Noticing Campaign or Claims Administration. Let us design a C.A.S.E. solution, which will allow us to showcase the difference you'll experience. Superior Service, Class Savings Value Pricing and Timely Outcomes is why our clients come back to PSA.



## **Expert Core Services**

**Initial Planning and Consultative Service on Class Action Cases and Noticing Plans.**

**State/Nationwide Noticing Expertise: Privacy, Media, Publication, Internet & Email Campaigns.**

**Attorney General(s) CAFA Notification & ADA Cases.**

**Claims Programming, Administration, Processing and Reporting.**

**24/7/365 Multi-Lingual Call Center Support and Claims Processing**

**Secure Data Management Environment, Individual Firewalls, Encrypted Data and Storage**

**Settlement Fund Calculations, Solutions, Award Distribution, Award Reconciliation**

**Tax Filings: State, Federal, EDD, ETT, FUTA, PAGA Payments**

## **Partial PSA Client List, Defense and Plaintiff**

**Fisher & Phillips  
Gordon & Rees  
Paul Plevin Sullivan & Connaughton  
Call & Jensen  
Seyfarth Shaw  
McKenna Long & Aldridge  
Greenberg Traurig  
Manning & Kass  
Littler Mendelson  
Perkins Coie  
Orrick Herrington & Sutcliffe  
Ogletree Deakins Nash Smoak & Stewart  
Morrison Foerster  
O'Hagan Meyer  
Winston & Strawn  
Sheppard Mullins  
Lewis Brisbois Bisgaard & Smith  
Morgan Lewis & Bockius  
Paul Hastings  
Snell & Wilmer  
Sidley Austin  
Higgs Fletcher & Mack  
Jackson Lewis  
Norton Rose Fulbright**

**Lavi & Ebrahimian, LLP  
Work Lawyers, PC  
Mahoney Law Group, APC  
Law Office of Thomas Rutledge  
Lawyers for Justice PC  
Matern Law Group, PC  
Rastegar Law Group  
Diversity Law Group  
Righetti & Glugoski  
Cohelan, Khoury & Singer  
Moon Law Group, PC  
Tunyan Law, APC  
The Spivak Law Firm  
Law Offices of Kenneth Yoon  
Paul Haines Law Group  
Parris Law Firm  
Mallison & Martinez  
Jackson, APC  
David Yeremian & Associates  
Aegis Law Firm  
Lauby, Mankin & Lauby, APC  
Parker & Minne, LLP  
Crosner Legal, APC  
Setareh Law Group**

## **Exhibit B**



# PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

## CASE ASSUMPTIONS

|                       |            |
|-----------------------|------------|
| Class Members         | 264        |
| Opt Out Rate          | 1%         |
| Opt Outs Received     | 3          |
| Total Class Claimants | 261        |
| Subtotal Admin Only   | \$8,000.00 |

**Fixed Fee Total** **\$8,000.00**

**For 264 Class Members**

Pricing Good for Scope of Estimate Only

**January 13, 2026**

## Case: Madrigal (WH) Opt-Out Administration wTranslation

Phoenix Contact: Jodey Lawrence

Contact Number: 949.566.1455

Email: Jodey@phoenixclassaction.com

Requesting Attorney: David Arakelyan

Firm: D Law

Contact Number: 818) 875-2008

Email: d.arakelyan@d.law

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly.

Estimate is based on 264 Class Members. Class data Must be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of \$150 per hour will be charged for any additional analysis or programming. Pricing good for 90 days.

### Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)

| Administrative Tasks:        | Rate     | Hours/Units | Line Item Estimate |
|------------------------------|----------|-------------|--------------------|
| Programming Manager          | \$100.00 | 2           | \$200.00           |
| Programming Database & Setup | \$100.00 | 2           | \$200.00           |
| Toll Free Setup*             | \$120.14 | 1           | \$120.14           |
| Call Center & Long Distance  | \$1.95   | 16          | \$31.20            |
| NCOA (USPS)                  | \$120.00 | 2           | \$240.00           |
| Static Website               | \$200.00 | 1           | \$200.00           |
| Total                        |          |             | \$991.34           |

\* Up to 120 days after disbursement

### Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage / Translation / Reporting

| Project Action                   | Rate       | Hours/Units | Line Item Estimate |
|----------------------------------|------------|-------------|--------------------|
| Notice Packet Formatting         | \$125.00   | 2           | \$250.00           |
| Data Merge & Duplication Scrub   | \$0.75     | 264         | \$198.00           |
| Notice Packet & Opt-Out Form     | \$1.50     | 264         | \$396.00           |
| Estimated Postage (up to 2 oz.)* | \$0.74     | 264         | \$195.36           |
| Language Translation             | \$1,000.00 | 1           | \$1,000.00         |
| Total                            |            |             | \$2,039.36         |

\* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.



# PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

## Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

| Project Action:             | Rate    | Hours/Units | Line Item Estimate |
|-----------------------------|---------|-------------|--------------------|
| Case Associate              | \$50.00 | 2           | \$100.00           |
| Skip Tracing Undeliverables | \$2.50  | 20          | \$49.50            |
| Remail Notice Packets       | \$1.50  | 20          | \$29.70            |
| Estimated Postage           | \$0.74  | 20          | \$14.65            |
| Programming Undeliverables  | \$50.00 | 2           | \$100.00           |
| Total                       |         |             | \$293.85           |

## Database Programming / Processing Opt-Outs, Deficiencies or Disputes

| Project Action:                     | Rate     | Hours/Units | Line Item Estimate |
|-------------------------------------|----------|-------------|--------------------|
| Programming Claims Database         | \$125.00 | 1           | \$125.00           |
| Non Opt-Out Processing              | \$125.00 | 1           | \$125.00           |
| Case Associate                      | \$55.00  | 2           | \$110.00           |
| Opt-Outs/Deficiency/Dispute Letters | \$10.00  | 2           | \$20.00            |
| Case Manager                        | \$85.00  | 2           | \$170.00           |
| Total                               |          |             | \$550.00           |

## Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks

| Project Action:            | Rate     | Hours/Units | Line Item Estimate |
|----------------------------|----------|-------------|--------------------|
| Programming Calculations   | \$125.00 | 2           | \$250.00           |
| Disbursement Review        | \$125.00 | 2           | \$250.00           |
| Programming Manager        | \$95.00  | 2           | \$190.00           |
| QSF Bank Account & EIN     | \$125.00 | 1           | \$125.00           |
| Check Run Setup & Printing | \$125.00 | 2           | \$250.00           |
| Mail Class Checks *        | \$1.25   | 261         | \$326.70           |
| Estimated Postage          | \$0.74   | 261         | \$193.41           |
| Total                      |          |             | \$1,585.11         |

\* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing



# PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

## Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations

| Project Action:                                                      | Rate     | Hours/Units | Line Item Estimate |
|----------------------------------------------------------------------|----------|-------------|--------------------|
| Case Supervisor                                                      | \$125.00 | 3           | \$375.00           |
| Remail Undeliverable Checks<br>(Postage Included)                    | \$2.50   | 26          | \$65.34            |
| Case Associate                                                       | \$50.00  | 4           | \$200.00           |
| Reconcile Uncashed Checks                                            | \$80.00  | 2           | \$160.00           |
| Conclusion Reports                                                   | \$100.00 | 2           | \$200.00           |
| Case Manager Conclusion                                              | \$85.00  | 4           | \$340.00           |
| Final Reporting & Declarations                                       | \$125.00 | 2           | \$250.00           |
| IRS & QSF Annual Tax Reporting *<br>(1 State Tax Reporting Included) | \$950.00 | 1           | \$950.00           |
| Total                                                                |          |             | \$2,540.34         |

\* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibility.

**Estimate Total: \$8,000.00**



## **TERMS AND CONDITIONS**

**Provisions:** The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

**Data Conversion and Mailing:** The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

**Claims:** PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality. Additional class members are \$10.00 per opt-out.

**Payment Terms:** All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

### **Tax Reporting Requirements**

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.

EXHIBIT 3

EXHIBIT 3

EXHIBIT 4

EXHIBIT 4

**D.LAW, INC.**  
David Keledjian (SBN 309135)  
d.keledjian@d.law  
David Arakelyan (SBN 337076)  
d.arakelyan@d.law  
250 N. Madison Ave., 2<sup>nd</sup> Floor  
Pasadena, CA 91101  
Telephone: (818) 962-6465  
Facsimile: (818) 962-6469

Attorneys for Plaintiff THERESA MADRIGAL

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF RIVERSIDE**

THERESA MADRIGAL, on behalf of herself  
and all others similarly situated, and the general  
public,

*Plaintiff,*

v.

DPEP, INC., a California corporation; PEDDER  
AUTO MANAGEMENT LLC, a California  
corporation; PEDDER AUTOMOTIVE, LLC, a  
California corporation; PEDDER NISSAN,  
LLC, a California corporation; LAKE  
ELSINORE CHRYSLER DODGE JEEP RAM,  
LLC, a business entity of unknown form; and  
DOES 1 through 50, inclusive,

*Defendants.*

Case No. CVRI2400722

*[Assigned for all purposes to the Hon. Harold  
W. Hopp, Dept. 1]*

**DECLARATION OF JARRETT  
GORLICK IN SUPPORT OF  
PLAINTIFF'S MOTION FOR  
PRELIMINARY APPROVAL OF CLASS  
ACTION AND PAGA SETTLEMENT**

Date: April 30, 2026  
Time: 8:30 A.M.  
Dept.: 1

Complaint Filed: February 6, 2024  
FAC Filed: April 10, 2024

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I, Jarrett Gorlick, declare:

1. I am over the age of 18 and am not a party to this action. All the facts set forth in this declaration are within my personal knowledge, true and correct, and, if called upon to testify, I could and would competently and truthfully testify to the following:

2. I am a partner at Berger Consulting Group, LLC (“BCG”) and have provided data analysis and damage exposure for over 3,000 cases. I have reviewed and analyzed data provided in numerous formats for multiple business types, including but not limited to retail, hospitals, logistics, finance, hospitality, technology, and manufacturing. My curriculum vitae is attached hereto as **Exhibit 1**. BCG was founded in 2013 and has been hired to provide expert analysis for more than 8,000 cases. BCG provides data and statistical analysis based on timekeeping records and other types of employee data.

3. I obtained a Bachelor of Arts degree in Economics and Psychology from the University of California, Santa Barbara in 2013. I received the Outstanding Scholastic Achievement in Economics award for graduating with the highest GPA in the department, graduated with High Honors, and completed the College of Letters and Sciences Honors Program. I hold the Certified Financial Planner designation, which required coursework in financial and data analysis, as well as accounting.

4. I testified as an expert witness in the following:

1. *Rodriguez v. Dynamic Auto Images*, Orange County Superior Court Case No. 30-2019-01092692-CU-OE-CXC, Deposition 9/26/2022
2. *Cruz v. Talent Scale*, Riverside County Superior Court Case No. RIC1821842, Deposition 5/26/2022
3. *Liggins v. GMRI*, Los Angeles Superior Court Case No. BC717321, Deposition 3/31/2022
4. *Ortega v. Carson Wild Wings*, Los Angeles Superior Court Case No. BC677389, Deposition 1/6/2022
5. *Cruz v. Dignity Health*, Sacramento County Superior Court Case No. 34-2018-

- 00245506, Deposition 11/23/2021
6. *Larson v. Mark Twain Medical Center*, Calaveras County Superior Court Case No. 19CV44062, Deposition 11/18/2021
7. *Powell v. St Joseph's Medical Center*, San Joaquin County Superior Court Case No. STK-CV-UOE-2019-00111555, Deposition 11/4/2021
8. *Johnson v. Bakersfield*, Kern Superior Case No. BCV-19-102016, Deposition 10/25/2021
9. *Dawson v. GoHealth*, San Francisco Superior Case No. CGC-19-577790, Deposition 10/21/2021
10. *Torrez v. Del Taco*, Alameda Superior Court Judicial Counsel Coordination Proceeding No. 4904, Deposition 10/5/2021
11. *Ortega v. Carson Wild Wings*, Los Angeles Superior Case No. BC677389, Deposition 9/9/2021
12. *Haaverson v. Tavistock Freebirds*, Alameda Superior Court Case No. RG19030716, Trial 8/19/2021
13. *Escamilla v. Ono Hawaiian BBQ*, Los Angeles Superior Court Case No. BC651992, Deposition 8/16/2021
14. *Nash v. Horizon Freight Services*, Northern District Court Case No. 3:19-cv-01883-VC, Deposition 8/11/2021
15. *Harris v. Villa Del Rio*, Los Angeles Superior Court Case No. 19STCV28198, Deposition 6/18/2021
16. *Morgan v. Rohr*, Southern District Court Case No. 3:20-CV-00574-GPC-AHG, Deposition 5/24/2021
17. *Fortson v. COMPASS*, Alameda Superior Court Case No. RG16818319, Trial 5/17/2021
18. *Anderson v. Safe Streets*, Eastern District Case No. 2:18-CV-00323-KJM-GGH, Deposition 5/13/2021
19. *Christensen v. Carter's Retail*, Central District of California Case No. 8:20-cv-00776 JLS (KESx), Deposition 4/15/2021
20. *Fortson v. COMPASS*, Alameda Superior Court Case No. RG16818319, Deposition 3/26/2021

- 1 21. *Torrez v. Del Taco*, Alameda Superior Court Judicial Counsel Coordination  
2 Proceeding No. 4904, Deposition 3/3/2021
- 3 22. *McCarty v. SMG*, Northern District of California Case No. 3:17-cv-06232-JD,  
4 Deposition 2/4/2021
- 5 23. *Chaney v. Select Education Group*, Stanislaus Superior Court Case No. CV-19-  
6 002224, Arbitration 12/4/2020
- 7 24. *Chaney v. Select Education Group*, Stanislaus Superior Court Case No. CV-19-  
8 002224, Deposition 11/24/2020
- 9 25. *Zarate v. La Pizza Loca*, Los Angeles Superior Court Case No. BC642655,  
10 Deposition 10/2/2020
- 11 26. *Cassiano Falero v. Southern California Pizza*, Orange County Superior Court  
12 Judicial Counsel Coordination Proceeding No. 4725, Deposition 9/17/2020
- 13 27. *Hernandez v. Terminix International*, AAA Case No. 01-18-0000-4288,  
14 Arbitration 9/8/2020
- 15 28. *Hernandez v. Terminix International*, AAA Case No. 01-18-0000-4288,  
16 Deposition 8/12/2020
- 17 29. *Martinez v. AA Meat Products*, Los Angeles Superior Court Case No. BC650944,  
18 Deposition 6/25/2020
- 19 30. *Shi v. J. Filippi Vintage Company*, San Bernardino Superior Court Case No.  
20 CIVDS1806156, Trial 3/9/2020
- 21 31. *Rosales v. Staples Contract and Commercial*, Los Angeles Superior Court  
22 Judicial Counsel Coordination Proceeding No. 4854, Deposition 2/4/2020
- 23 32. *Anderson v. Safe Streets*, AAA Case No. 01-18-0004-3136, Arbitration  
24 11/19/2019
- 25 33. *Anderson v. Safe Streets*, AAA Case No. 01-18-0004-3136, Deposition  
26 10/30/2019
- 27 34. *Kelly v. High Desert Support Services*, San Bernardino Superior Court Case No.  
28 CIVDS1616463, Trial 10/1/2019
35. *Kelly v. High Desert Support Services*, San Bernardino Superior Court Case No.  
CIVDS1616463, Deposition 9/9/2019

1 36. *Reed & Moore v. Aramark Uniform Services*, Alameda Superior Court Case No.  
2 RG168322314, Deposition 8/9/2019

3 37. *Gamboa v. Nelson Miller*, Los Angeles Superior Court Case No. BC658201,  
4 Deposition 4/2/2019

5 38. *Leyva v. SCPMG*, Los Angeles Superior Court Case No. BC621718, Deposition  
6 7/26/2018

7 39. *Emard et al. v. Twin Cities Community Hospital*, AAA Case No. 01-17-0000-  
8 1313, Arbitration 7/19/2018

9 40. *McConville v. Renzenberger*, Central District of California Western Division Case  
10 No. 17-cv-02972-FMO-JC, Deposition 2/1/2018

11 41. *Galeano v. Royal Laundry*, San Mateo Superior Court Case No. CIV534888,  
12 Deposition 10/12/2017

13 5. I was retained by Counsel for Plaintiff in the matter *Theresa Madrigal v. DPEP,*  
14 *INC.*, Riverside County Superior Court Case No. CVRI2400722, to assist in evaluating the  
15 alleged wage and hour claims based upon putative class member data in preparation for a  
16 mediation that occurred in August 2025.

### 17 ***Sample Size and Extrapolation***

18 6. Based on information from Counsel for Plaintiff and the data provided to me, I  
19 understand that a random sample was taken from a putative class of approximately 336  
20 individuals. This approximately 70.5% sample containing around 237 individuals is typical in  
21 my experience considering the size of the total population.

22 7. The margin of error of this sample based on a 95% confidence level is  
23 approximately 3.5%, which is lower than the typical 5% sought after in sampling. In addition,  
24 the margin of error of this sample based on a 99% confidence level is approximately 4.6%, still  
25 slightly lower than the typical 5% sought after. As stated by professor and statistician David  
26 Freedman regarding sample size: "There is no definitive statistical answer to this familiar  
27 question. Bigger samples have less sampling error. On the other hand, smaller samples may be  
28

1 easier to manage, and have less non-sampling error. Bigger samples are more expensive than  
2 smaller ones: generally, resource constraints will determine the sample size.”<sup>1</sup>

3 8. I may be asked to develop additional analyses, observations, and queries in  
4 connection with any data Counsel for Plaintiff provide after the date this declaration is signed. At  
5 that time, if appropriate, I will prepare a supplement to this declaration.

6 I declare under penalty of perjury under the laws of the State of California that the  
7 foregoing is true and correct this 19th day of March 2026 at Los Angeles, California.

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9  
10 Jarrett Gorlick

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26 <sup>1</sup> D.A. Freedman. “Sampling” In the *Encyclopedia of Social Science Research Methods*. Sage  
27 Publications (2004) Vol. 3 pp. 986-990, M. Lewis-Beck, A. Bryman, and T.F. Liao, eds.

# EXHIBIT 1



## Professional Experience

### Berger Consulting Group

2016-PRESENT

#### *Partner*

- Create quantitative models and conduct quantitative analyses to assist attorneys prepare for various stages of litigation on more than 3,000 wage and hour lawsuits since 2016
- Analyze data from various industries including retail, healthcare, logistics, finance, hospitality, technology, and manufacturing for both single plaintiff cases and classes with more than 40,000 employees
- Perform data conversion using multiple commercial Optical Character Recognition (OCR) software to transform small to large volumes of documents and image files into Excel or other data formats like Microsoft Access databases
- Recognize patterns within data and automate calculations in order to objectively extract results from datasets
- Produce detailed reports, write case analysis summaries explaining results, and provide expert testimony of my findings

### LPL Financial

2013-2017

#### *Operations Manager*

- Analyzed revenue data and created models to segment client base by revenue, Asset Under Management (AUM), and growth potential, facilitating annual AUM growth
- Developed the processes of repeatable, systematic investment research, securities trading, cash and client account management
- Implemented robust financial software, advancing data analysis and enhancing client recommendations via comprehensive financial plans

### UCSB Extension

2016-2018

#### *Instructor of Investment Analysis and Strategic Business Development*

- Designed course curricula and materials to facilitate business development and corporate finance education commensurate with the University of California
- Utilized group projects, exams, and both academic and professional experience-based learning to ensure students with varying levels of professional and academic experience attained valuable skills and knowledge

## Professional Credentials

- CERTIFIED FINANCIAL PLANNER™

## Education

### UCSB

2013

#### *Bachelor of Arts (Honors Program; Double Major; Cumulative GPA: 3.83)*

- *Economics (Major GPA: 3.95), Psychology (Major GPA: 3.69)*
- *Honors: Outstanding Scholastic Achievement in Economics for highest GPA in department, High Honors in College of Letters and Sciences, Dean's Honors List (8 quarters), United States Bowling Congress Scholarship*

## Additional

- *Computer Skills:* Excel/VBA/Pivot, Python/R, STATA/SPSS, SQL, Access, Omnipage PDF Converter, ABBYY FineReader, Adobe Acrobat Pro
- *Volunteer Work:* Support Partners In Education, Santa Barbara Community Environmental Council, Casa Esperanza homeless shelter, UCSB Alumni Association, various UCSB Research Colloquia

## Testimony

### Berger Consulting Group

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1. Rodriguez v Dynamic Auto Images, Orange County Superior Court Case No. 30-2019-01092692-CU-OE-CXC, Deposition 9/26/2022
2. Cruz v Talent Scale, Riverside County Superior Court Case No. RIC1821842, Deposition 5/26/2022
3. Liggins v GMRI, Los Angeles County Superior Court Case No. BC717321, Deposition 3/31/2022
4. Ortega v Carson Wild Wings, Los Angeles County Superior Court Case No. BC677389, Deposition 1/6/2022
5. Cruz v Dignity Health, Sacramento County Superior Court Case No. 34-2018-00245506, Deposition 11/23/2021
6. Larson v Mark Twain Medical Center, Calaveras County Superior Court Case No. 19CV44062, Deposition 11/18/2021
7. Powell v St Joseph's Medical Center, San Joaquin County Superior Court Case No. STK-CV-UOE-2019-00111555, Deposition 11/4/2021
8. Johnson v Bakersfield Memorial Hospital, Kern County Superior Court Case No. BCV-19-102016, Deposition 10/25/2021
9. Dawson v GoHealth, San Francisco County Superior Court Case No. CGC-19-577790, Deposition 10/21/2021
10. Torrez v Del Taco, Alameda County Superior Court Judicial Counsel Coordination Proceeding No. 4904, Deposition 10/5/2021
11. Ortega v Carson Wild Wings, Los Angeles County Superior Court Case No. BC677389, Deposition 9/9/2021
12. Haaverson v Tavistock Freebirds, Alameda County Superior Court Case No. RG19030716, Trial 8/19/2021
13. Escamilla v Ono Hawaiian BBQ, Los Angeles County Superior Court Case No. BC651992, Deposition 8/16/2021
14. Nash v Horizon Freight Systems, United States Northern District of California Case No. 3:19-cv-01883-VC, Deposition 8/11/2021
15. Harris v Villa Del Rio, Los Angeles County Superior Court Case No. 19STCV28198, Deposition 6/18/2021
16. Morgan v Rohr, United States Southern District of California Case No. 3:20-CV-00574-GPC-AHG, Deposition 5/24/2021
17. Fortson v Care Options Management Plans and Support Services, Alameda County Superior Court Case No. RG16818319, Trial 5/17/2021
18. Anderson v Safe Streets, United States Eastern District of California Case No. 2:18-CV-00323-KJM-GGH, Deposition 5/13/2021
19. Christensen v Carter's Retail, United States Central District of California Case No. 8:20-cv-00776 JLS (KESx), Deposition 4/15/2021
20. Fortson v Care Options Management Plans and Support Services, Alameda County Superior Court Case No. RG16818319, Deposition 3/26/2021
21. Torrez v Del Taco, Alameda County Superior Court Judicial Counsel Coordination Proceeding No. 4904, Deposition 3/3/2021
22. McCarty v SMG, United States Northern District of California Case No. 3:17-cv-06232-JD, Deposition 2/4/2021
23. Chaney v Select Education Group, Stanislaus County Superior Court Case No. CV-19-002224, Arbitration 12/4/2020
24. Chaney v Select Education Group, Stanislaus County Superior Court Case No. CV-19-002224, Deposition 11/24/2020
25. Zarate v La Pizza Loca, Los Angeles County Superior Court Case No. BC642655, Deposition 10/2/2020
26. Southern California Pizza Wage and Hour Cases, Orange County Superior Court Judicial Counsel Coordination Proceeding No. 4725, Deposition 9/17/2020
27. Hernandez v Terminix International, AAA Case No. 01-18-0000-4288, Arbitration 9/8/2020
28. Hernandez v Terminix International, AAA Case No. 01-18-0000-4288, Deposition 8/12/2020
29. Martinez v AA Meat Products, Los Angeles County Superior Court Case No. BC650944, Deposition 6/25/2020
30. Shi v J Filippi Vintage Company, San Bernardino County Superior Court Case No. CIVDS1806156, Trial 3/9/2020
31. Rosales v Staples Contract and Commercial, Los Angeles County Superior Court Judicial Counsel Coordination Proceeding No. 4854, Deposition 2/4/2020
32. Anderson v Safe Streets, AAA Case No. 01-18-0004-3136, Arbitration, 11/19/2019
33. Anderson v Safe Streets, AAA Case No. 01-18-0004-3136, Deposition 10/30/2019

34. Kelly v High Desert Support Services, San Bernardino County Superior Court Case No. CIVDS1616463, Trial 10/1/2019
35. Kelly v High Desert Support Services, San Bernardino County Superior Court Case No. CIVDS1616463, Deposition 9/9/2019
36. Reed & Moore v Aramark Uniform Services, Alameda County Superior Court Case No. RG16832314, Deposition 8/9/2019
37. Gamboa v Nelson Miller, Los Angeles County Superior Court Case No. BC658201, Deposition 4/2/2019
38. Leyva v SCPMG, Los Angeles County Superior Court Case No. BC621718, Deposition 7/26/2018
39. Emard v Twin Cities Community Hospital, AAA Case No. 01-17-0000-1313, Arbitration 7/19/2018
40. McConville v Renzenberger, United States Central District of California Case No. 17-cv-02972-FMO-JC, Deposition 2/1/2018
41. Galeano v Royal Laundry, San Mateo County Superior Court Case No. CIV534888, Deposition 10/12/2017

EXHIBIT 5

EXHIBIT 5

**Monday, February 5, 2024 at 12:59:48 Pacific Standard Time**

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**Subject:** State of California - Department of Industrial Relations Customer Receipt / Purchase Confirmation

**Date:** Monday, February 5, 2024 at 12:57:15 PM Pacific Standard Time

**From:** noreply@salesforce.com on behalf of LWDA DO NOT REPLY

**To:** Katheryn Perez

Caution: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Thank you for your payment.

Order Information

Merchant: State of California - Department of Industrial Relations

Case Number: LWDA-CM-1009205-24

Order Number: ORD-000269675

Total:\$75.00

Card Type: Visa

Date: 2/5/2024

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Billing Information

Name: David Yeremian

Email: [k.perez@d.law](mailto:k.perez@d.law)

Billing Address:

880 E Broadway

Glendale, California

91205

February 5, 2024

**VIA ON-LINE SUBMISSION AND MAIL:**

<https://dir.tfaforms.net/128> (copy by certified mail to all Defendants)

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

**DPEP, Inc.**

Benjamin Berger, Agent for Service of Process  
24031 El Toro Rd., Ste. 200  
Laguna, CA 92653  
Certified Mail Tracking Number: 9414 8112 0620 4536 5984 51

**DPEP, Inc.**

31400 Auto Center Drive  
Lake Elsinore, CA 92530  
Certified Mail Tracking Number: 9414 8112 0620 4536 5519 20

**Pedder Auto Management LLC**

Benjamin Berger, Agent for Service of Process  
24031 El Toro Rd., Ste. 200  
Laguna, CA 92653  
Certified Mail Tracking Number: 9414 8112 0620 4536 5913 15

**Pedder Auto Management LLC**

200 Carriage Circle  
Hemet, CA 92545  
Certified Mail Tracking Number: 9414 8112 0620 4536 5622 54

**Pedder Automotive, LLC**

Benjamin Berger, Agent for Service of Process  
24031 El Toro Rd., Ste. 200  
Laguna, CA 92653  
Certified Mail Tracking Number: 9414 8112 0620 4536 5203 08

**Pedder Automotive, LLC**

200 Carriage Circle  
Hemet, CA 92545  
Certified Mail Tracking Number: 9414 8112 0620 4536 5666 65

**Pedder Nissan, LLC**

Benjamin Berger, Agent for Service of Process  
24031 El Toro Rd., Ste. 200  
Laguna, CA 92653  
Certified Mail Tracking Number: 9414 8112 0620 4536 5268 81

**Pedder Nissan, LLC**

200 Carriage Circle  
Hemet, CA 92545  
Certified Mail Tracking Number: 9414 8112 0620 4536 5838 77

**Lake Elsinore Chrysler Dodge Jeep Ram, LLC**

31400 Auto Center Drive  
Lake Elsinore, CA 92530  
Certified Mail Tracking Number: 9414 8112 0620 4536 5500 46

**LWDA Case No.: LWDA-CM-1009205-24**

**Re: Labor Code § 2698, et seq. Penalties – PAGA Notice Letter to the LWDA  
*Theresa Madrigal v. DPEP, Inc., et al.***

Gentlepersons:

This office represents Plaintiff Theresa Madrigal (“Plaintiff”) and other similarly situated aggrieved employees (collectively “Aggrieved Employees”) for violations of California Labor



Code §§ 201, 202, 203, 204, 210, 221, 226, 226.3, 226.7, 227.3, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq.*, and 2802; provisions of the Industrial Welfare Commission (IWC) Wage Order(s); and California Business & Professions Code § 17200 *et seq.*

The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et seq.* (“the Act”). Unless specified below, Plaintiff would like to bring a representative action, pursuant to the Act, on behalf of himself and all other similarly situated, Aggrieved Employees, and the State of California, against Defendants, DPEP, Inc.; Pedder Auto Management LLC; Pedder Automotive, LLC; Pedder Nissan, LLC; Lake Elsinore Chrysler Dodge Jeep Ram, LLC; and DOES 1 through 50 inclusive (all defendants being referred to herein collectively as “Defendants”).

Additionally, this correspondence will serve to satisfy the notice requirements under the Act, along Plaintiff’s Class Action Complaint, which is attached hereto and incorporated by reference herein. The Complaint is being concurrently filed in Riverside County Superior Court and will be assigned a local case number. The Complaint allegations and claims are incorporated into this Notice Letter.

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

### **Relevant Facts**

Plaintiff was employed by Defendants as a non-exempt hourly employee in California. Aggrieved Employees include all non-exempt hourly employees of Defendants within the state of California from one year prior to the date of this letter and continuing through the present (Plaintiff and Aggrieved Employees are collectively referred to herein as “Aggrieved Employees”).

Defendants had a common policy and practice of systemically failing to pay Aggrieved Employees proper wages and overtime for all hours worked, at the proper rates of pay.

Aggrieved Employees were consistently required to perform work, off-the-clock, for which they were not paid wages. Specifically, Aggrieved Employees were required to spend time before clocking in entering the premises, turning on and booting up work equipment, and assisting customers. Aggrieved Employees were also required to conduct work activities after clocking out due to understaffing, such as helping customers and other employees. Further, Defendants required Aggrieved Employees to use their personal vehicles for work-related purposes, including traveling between company locations for two (2) to three (3) hours off the clock. Finally, Aggrieved Employees were required to use their personal cell phones for work-related activities off-the-clock, answering work calls and texts. The foregoing and uncompensated time was under the control and direction of defendants, for which no wages were paid.

This uncompensated time caused Aggrieved Employees to work in excess of eight (8), ten (10) and/or twelve (12) hours a day and/or forty (40) hours a week, entitling Aggrieved Employees to



minimum and overtime wages, which they were systemically denied.

Defendants also failed to pay Aggrieved Employees overtime wages at the proper and applicable regular rates of pay. Specifically, Aggrieved Employees earned performance-based non-discretionary bonuses in addition to their hourly pay. However, these supplemental earnings were not accounted for when determining Aggrieved Employees' regular rates of pay, and respective and proper overtime rates of pay.

Defendants had a common policy and practice of systemically denying Aggrieved Employees the opportunity to take meal periods in compliance with California Law. Specifically, Aggrieved Employees were prohibited from leaving the work premises during meal periods, when such meal periods were taken. Additionally, due to understaffing, heavy workloads, and pre-shift uncompensated working hours Aggrieved Employees were denied the opportunity to take timely meal periods prior to the completion of their fifth hour of work. Furthermore, Aggrieved Employees were not relieved of all work duties during unpaid meal periods and were required to keep working during meal breaks, including having to keep and monitor their personal cell phones, and remain available for work calls during breaks.

Aggrieved Employees were not provided with meal periods of at least thirty (30) minutes for each five (5) hour work period due to (1) Defendants' policy of not scheduling each meal period as part of each work shift; (2) no formal written meal policy that encouraged employees to take their meal periods, or that advised Aggrieved Employees of their meal and rest period rights; and (3) Defendants' practice of requiring Aggrieved Employees to continue working through their meal and rest periods due to the excessive workload.

Defendants had a common policy and practice of systemically denying Aggrieved Employees the opportunity to take rest breaks in compliance with the California Law. Aggrieved Employees were not provided with rest periods of at least ten (10) minutes for each four (4) hour work period, or major fraction thereof, due to (1) Defendants' policy of not scheduling each rest period as part of each work shift, including second rest breaks for shifts of six (6) hours or more; (2) no formal compliant written rest period policy that encouraged employees to take their rest periods, or that properly advised Aggrieved Employees of their rest period rights; (3) Defendants' policy and practice of requiring Aggrieved Employees to continue working through their rest breaks due to the excessive workload, including having to keep and monitor their personal cell phones, and remain available for work calls during breaks.

Furthermore, Defendants failed to pay Aggrieved Employees premium pay wages at their appropriate regular rates of pay for each meal and rest period denied.

Defendants had a common policy and practice of unlawfully receiving and/or collecting wages from Aggrieved Employees. Specifically, Defendants' deducted Aggrieved Employees' vested wages for unspecified and invalid reasons.

Defendants also had a common policy and practice of failing to pay Aggrieved Employees all reporting time pay to which they were entitled under California Law. Specifically, Aggrieved Employees were required to call in or otherwise show up to work for less than two (2) hours, but were not paid for their full scheduled shift.



Defendants also had a common policy and practice of systemically failing to pay Aggrieved Employees the requisite and accrued vacation time pay in accordance with California Law. Specifically, Defendants maintained an illegal cap on vacation time. Further, Defendants failed to pay Aggrieved Employees for accrued vacation time upon the separation of employment.

Aggrieved Employees were not provided with accurate wage statements as mandated by law pursuant to Labor Code section 226. Specifically, Defendants failed to issue wage statements as “a detachable part of the check, draft, or voucher paying the employee’s wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing.” Additionally, the wage statements issued to Aggrieved Employees were not recorded in “ink or other indelible form.”

Defendants failed to comply with Labor Code section 226(a)(1) as “gross wages earned” were not accurately reflected in that: all hours worked, including overtime, were not included.

Defendants failed to comply with Labor Code section 226(a)(2) as “total hours worked by the employee” were not accurately reflected in that: all hours worked, including overtime, were not included.

Defendants failed to comply with Labor Code section 226(a)(5) as “net wages earned” were not accurately reflected in that: all hours worked, including overtime, were not included.

Defendants failed to comply with Labor Code section 226(a)(9) as “all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee” were not accurately reflected in that: all hours worked, including overtime, were not included.

Furthermore, Defendants failed to provide Aggrieved Employees with paper pay stubs as required by Labor Code § 226, applicable Wage Orders, and DLSE Opinion Letters. Plaintiff’s and Aggrieved Employees’ wage statement were only provided in electronic format in violation of Labor Code § 226.

Aggrieved Employees were not reimbursed for business expenses incurred in executing their duties under Defendant’s employ. Specifically, Aggrieved Employees were required to use their personal cell phone for work both on and off the clock, incurring costs for phone usage and maintenance. In addition, Aggrieved Employees were required to use their personal vehicles for work-related purposes, incurring costs for gasoline, maintenance, and other transportation costs. Defendants never paid Aggrieved Employees for these necessary work expenses.

**PAGA Claim Details, Legal Bases for Violations and Penalties:**

As addressed above and in further detail in the Class Action Complaint, the Aggrieved Employees complain of the following violations committed by Defendants:<sup>1</sup>

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<sup>1</sup> Plaintiff hereby reserves the right to seek penalties on behalf of all Aggrieved Employees, for Defendants’ violations of the applicable provisions of the Labor Code, suffered by Aggrieved Employees, but not directly suffered by Plaintiff under *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal.App.5th 745.



### **Failure to Pay Minimum Wages**

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

In California, employees must be paid at least the then applicable state minimum wage for all hours worked, including under Labor Code § 1197, IWC Wage Order MW-2014, and paragraphs 2(K), 2(S), and 4(A)-4(C) of the applicable IWC Wage Orders. Paragraph 2(H) of the applicable IWC Wage Orders defines “Hours Worked” as “the time during which an employee is subject to the control of an employer and includes all the time the employee is suffered or permitted to work, whether or not required to do so.” Additionally, pursuant to Labor Code § 204, other applicable laws and regulations, and public policy, an employer must timely pay its employees for all hours worked. Defendants failed to do so.

California Labor Code § 1197, entitled “Pay of Less Than Minimum Wage” states: “The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.” The minimum wage provisions of California Labor Code are enforceable by private civil action pursuant to Labor Code § 1194(a) which states: “Notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney’s fees and costs of suit.”

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

Defendants had a common policy and practice of systemically failing to pay Aggrieved Employees proper wages and overtime for all hours worked, at the proper rates of pay.

Aggrieved Employees were consistently required to perform work, off-the-clock, for which they were not paid wages. Specifically, Aggrieved Employees were required to spend time before clocking in entering the premises, turning on and booting up work equipment, and assisting customers. Aggrieved Employees were also required to conduct work activities after clocking out due to understaffing, such as helping customers and other employees. Further, Defendants required



Aggrieved Employees to use their personal vehicles for work-related purposes, including traveling between company locations for two (2) to three (3) hours off the clock. Finally, Aggrieved Employees were required to use their personal cell phones for work-related activities off-the-clock, answering work calls and texts. The foregoing and uncompensated time was under the control and direction of defendants, for which no wages were paid.

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

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

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

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

Defendants violated the law by failing to pay Aggrieved Employees earned wages and overtime. Specifically, Aggrieved Employees consistently worked in excess of eight (8), ten (10), and twelve (12) hours a day, and/or forty (40) hours a week. However, Aggrieved Employees were not paid overtime wages for hours worked in excess of 8 hours a day. Moreover, the uncompensated time, discussed above caused Aggrieved Employees to work in excess of eight (8), ten (10), and twelve (12) hours a day and/or 40 hours a week, further entitling Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code § 510 and applicable Wage Orders.

Defendants also failed to Aggrieved Employees overtime wages at the proper and applicable regular rates of pay. Specifically, Aggrieved Employees earned performance-based non-discretionary bonuses in addition to their hourly pay. However, these supplemental earnings were not accounted for when determining Aggrieved Employees' regular rates of pay, and respective



and proper overtime rates of pay.

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

When considered in combination with the other wage violations addressed above, Aggrieved Employees were not properly compensated, nor were they paid overtime and double time rates for hours worked in excess of 8, 10, and 12 hours in a given day, and/or forty hours in a given week. Defendants did not make available to Employees a reasonable protocol for correcting time records when Employees worked overtime hours or to fix incorrect time entries or those that Defendants unlawfully under-recorded to the Employee's detriment. Defendants have also violated these provisions by requiring other similarly situated Aggrieved Employees to work through meal periods when they were required to be clocked out or to otherwise work off the clock to complete their daily job duties.

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

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

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

Defendants had a common policy and practice of systemically denying Aggrieved Employees the opportunity to take meal periods in compliance with California Law. Specifically, Aggrieved Employees were prohibited from leaving the work premises during meal periods, when such meal periods were taken. Additionally, due to understaffing, heavy workloads, and pre-shift uncompensated working hours Aggrieved Employees were denied the opportunity to take timely meal periods prior to the completion of their fifth hour of work. Furthermore, Aggrieved Employees were not relieved of all work duties during unpaid meal periods and were required to keep working during meal breaks, including having to keep and monitor their personal cell phones, and remain available for work calls during breaks.



Aggrieved Employees were not provided with meal periods of at least thirty (30) minutes for each five (5) hour work period due to (1) Defendants' policy of not scheduling each meal period as part of each work shift; (2) no formal written meal policy that encouraged employees to take their meal periods, or that advised Aggrieved Employees of their meal and rest period rights; and (3) Defendants' practice of requiring Aggrieved Employees to continue working through their meal and rest periods due to the excessive workload.

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

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

#### **Rest-Break Liability Under Labor Code § 226.7 and Penalties**

Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than 10 minutes for every work period of 4 or more consecutive hours, as required by Labor Code. Aggrieved Employees were not provided with rest periods of at least ten (10) minutes for each four (4) hour work period, or major fraction thereof, due to (1) Defendants' policy of not scheduling each rest period as part of each work shift, including second rest breaks for shifts of six (6) hours or more; (2) no formal compliant written rest period policy that encouraged employees to take their rest periods, or that properly advised Aggrieved Employees of their rest period rights; (3) Defendants' policy and practice of requiring Aggrieved Employees to continue working through their rest breaks due to the excessive workload, including having to keep and monitor their personal cell phones, and remain available for work calls during breaks.

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



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

**Failure to Pay Proper Reporting Time Pay**

The IWC Wage Orders, require that reporting time pay be provided to any employee who 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. Specifically, Aggrieved Employees were required to call in or otherwise show up to work for less than two (2) hours, but were not paid for their full scheduled shift.

Plaintiff is informed and believes and thereon alleges that all or substantially all of the Aggrieved Employees are subject to Defendants' policies and practices requiring them to call in or otherwise show up to work but not being paid half said their usual or scheduled day's work.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 203, 204, 510, 1198, 2926, 2927, and 2699.5 seeking all civil penalties available and applicable under Labor Code §§ 204, 210, 246, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

**Failure to Pay Vested Vacation Wages Upon Separation in Violation of Labor Code § 227.3**  
California Labor Code section 227.3 provides:

Unless otherwise provided by a collective-bargaining agreement, whenever a contract of employment or employer policy provides for paid vacations, and an employee is terminated without having taken off his vested vacation time, all vested vacation shall be paid to him as wages at his final rate in accordance with such contract of employment or employer policy respecting eligibility or time served; provided, however, that an employment contract or employer policy shall not provide for forfeiture of vested vacation time upon termination. The Labor Commissioner or a designated representative, in the resolution of any dispute with regard to vested vacation time, shall apply the principles of equity and fairness.

At all relevant times during the applicable limitations period, Aggrieved Employees accrued vested vacation time during their employment with Defendants. However, Defendants' implemented a common policy and practice of failing to pay Aggrieved Employees for all accrued vacation wages upon separation of employment, in violation of Labor Code 227.3. Specifically, Defendants maintained an illegal cap on vacation time. Further, Defendants failed to pay Aggrieved Employees for accrued vacation time upon the separation of employment.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or



termination, under Labor Code §§ 203, 204, 227.3, 1198, 2926, 2927, and 2699.5 seeking all civil penalties available and applicable under Labor Code §§ 204, 210, 246, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

#### **Unlawful Receipt and Collection of Wages in Violation of Labor Code § 221**

Labor Code § 221 provides, "It shall be unlawful for any employer to collect or receive from an employee any part of wages theretofore paid by said employer to said employee."

Defendants had a common policy and practice of unlawfully receiving and/or collecting wages from Aggrieved Employees. Specifically, Defendants' deducted Aggrieved Employees' vested wages for unspecified and invalid reasons.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties and wages owed, including all unlawfully deducted, received, and/or collected amounts due and owing to Aggrieved Employees, under Labor Code §§ 221, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

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

Defendants have consistently required Aggrieved Employees to incur necessary business expenses in the execution of their duties under Defendants' employ. Specifically, Aggrieved Employees were required to use their personal cell phone for work both on and off the clock, incurring costs for phone usage and maintenance. In addition, Aggrieved Employees were required to use their personal vehicles for work-related purposes, incurring costs for gasoline, maintenance, and other transportation costs. Defendants never paid Aggrieved Employees for these necessary work expenses.

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

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

California Labor Code § 226(a) requires an employer to furnish each employee with an accurate, itemized wage statements in writing. These statements must be appended to the detachable part of the check, draft, voucher, or whatever else serves to pay the employee's wages; or, if wages are paid by cash or personal check, these statements may be given to the employee separately from the payment of wages; in either case the employer must give the employee these statements twice a month or each time wages are paid. As a direct and proximate cause of Defendants' violation of Labor Code § 226(a), Aggrieved Employees suffered injuries, including among other things



confusion over whether they received all wages owed them, the difficulty and expense involved in reconstructing pay records, and forcing them to make mathematical computations to analyze whether the wages paid in fact compensated them correctly for all hours worked.

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

Additionally, for the purposes of Subsection (a)(9), Plaintiff seeks to expand the scope of the Aggrieved Employees she seeks to represent to extend to all individuals employed by Defendants during the applicable period. The wage statements issued to Aggrieved Employees failed to state all applicable hourly rates for which Aggrieved Employees were paid as required by Labor Code § 226(a)(9).

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

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

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

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



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

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

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

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

#### **Failure to Keep Records In Accordance With Labor Code § 1174**

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



Code § 226.7, and total daily hours worked by itemizing in wage statements all deductions from payment of wages and accurately reporting total hours worked by the Aggrieved Employees, and they are entitled to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

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

#### **Waiting Time Penalties Pursuant to Labor Code § 203**

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

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

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

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

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

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

The Aggrieved Employees seek penalties under Labor Code §§ 2698 and 2699 for Defendants' violation of Labor Code provisions included under Labor Code § 2699.5, including the penalty provisions, without limitation, based, *inter alia*, on the following California Labor Code sections:



§§ 201, 202, 203, 204, 210, 221, 226, 226.3, 226.7, 227.3, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq.*, and 2802, including as follows:

(a) Wage Claims: For failure to provide the Aggrieved Employees all earned regular pay and minimum wages for regular hours worked and for failure to pay overtime premium wages for overtime hours worked, failure to pay proper reporting time and sick pay under Labor Code §§ 510, 1194(a), 1197, and 1198, and paragraphs 2(K), 3(A), 4(A), 4(B) and 20 of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable under Labor Code §§ 221, 227.3, 510, 558, 1194.2, 1197.1, 1198, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

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

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

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

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



paragraph 9 and 20 of the IWC Wage Orders, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

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

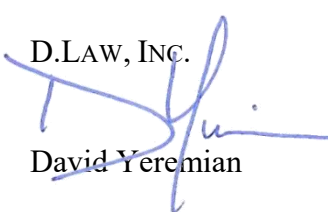
We have been constrained to initially move forward with the filing of this Complaint, alleging the causes of action discussed herein, without the PAGA claim. Thus, any action by the LWDA would not resolve the entirety of the case, and the interest of judicial economy will be served by allowing the case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

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

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

Regards,

D.LAW, INC.



David Yeremian

Cc: Defendants, DPEP, Inc.; Pedder Auto Management LLC; Pedder Automotive, LLC; Pedder Nissan, LLC; Lake Elsinore Chrysler Dodge Jeep Ram, LLC; by Certified Mail

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

THERESA MADRIGAL, on behalf of herself  
and all others similarly situated, and the  
general public,

*Plaintiff,*

v.

DPEP, INC., a California corporation;  
PEDDER AUTO MANAGEMENT LLC, a  
California corporation; PEDDER  
AUTOMOTIVE, LLC, a California  
corporation; PEDDER NISSAN, LLC, a  
California corporation; LAKE ELSINORE  
CHRYSLER DODGE JEEP RAM, LLC, a  
business entity of unknown form; and DOES 1  
through 50, inclusive,

*Defendants.*

Case No.:

**CLASS ACTION COMPLAINT**

1. Failure to Provide Meal Periods (Lab. Code §§ 204, 223, 226.7, 512 and 1198);
2. Failure to Provide Rest Periods (Lab. Code §§ 204, 223, 226.7 and 1198);
3. Failure to Pay Hourly Wages and Overtime (Lab. Code §§ 223, 510, 1194, 1194.2, 1197, 1997.1 and 1198);
4. Failure to Pay Proper Reporting Time Wages;
5. Failure to Pay Proper Vacation Wages (Lab. Code § 227.3);
6. Unlawful Receipt and Collection of Wages (Labor Code § 221);
7. Failure to Provide Accurate Written Wage Statements (Lab. Code §§ 226(a));
8. Failure to Timely Pay All Final Wages (Lab. Code §§ 201, 202 and 203);
9. Failure to Indemnify (Lab. Code § 2802);
10. Unfair Competition (Bus. & Prof. Code §§ 17200 *et seq.*);

**JURY TRIAL DEMANDED**

1 Plaintiff THERESA MADRIGAL (“Plaintiff”), on behalf of herself, all others similarly  
2 situated, and the general public, complains and alleges as follows:

3 **INTRODUCTION**

4 1. Plaintiff brings this class action against Defendants DPEP, INC., a California  
5 corporation; LAKE ESLINORE CHRYSLER DODGE JEEP RAM, LLC, a business entity of  
6 unknown form; and DOES 1 through 50, inclusive, (collectively referred to as “Defendants”) for  
7 alleged violations of the California Labor Code and California Business and Professions Code. As set  
8 forth below, Plaintiff alleges that Defendants have:

- 9 a. failed to pay them overtime wages at the correct rate;  
10 b. failed to pay them double time wages at the correct rate;  
11 c. failed to pay them overtime and/or double time wages by failing to include all  
12 applicable remuneration in calculating the regular rate of pay;  
13 d. failed to provide them with meal periods;  
14 e. failed to provide them with rest periods;  
15 f. failed to pay them premium wages for missed meal and rest periods;  
16 g. failed to pay them proper reporting time pay;  
17 h. failure to pay proper vacation wages;  
18 i. made unlawful deductions from their wages;  
19 j. failed to provide them with accurate written wage statements;  
20 k. failed to reimburse them with necessary business expenditures;  
21 l. failed to pay them all their final wages following separation of employment.

22 Based on these alleged Labor Code violations, Plaintiff now brings this class action to recover  
23 unpaid wages, liquidated damages, penalties, restitution, and related relief on behalf of herself, all  
24 others similarly situated, and the general public.

25 **JURISDICTION AND VENUE**

26 2. This Court has subject matter jurisdiction to hear this case because the monetary  
27 damages and restitution sought by Plaintiff from Defendants’ conduct exceeds the minimal  
28 jurisdiction of the Superior Court of the State of California.

3. Venue is proper in the County of Riverside pursuant to Code of Civil Procedure sections 395(a) and 395.5 in that liability arose this county because at least some of the transactions that are the subject matter of this Complaint occurred therein and/or each defendant is found, maintains offices, transacts business and/or has an agent therein.

4. Venue is proper in Riverside County because Defendants' have at all times alleged herein, conducted business in Riverside County, and throughout California. As such, venue is proper in any county in California.

## PARTIES

5. Plaintiff THERESA MADRIGAL is, and at all relevant times mentioned herein, an individual residing in the State of California.

6. Plaintiff is informed and believes, and thereupon alleges that Defendant DPEP, INC. is, and at all relevant times mentioned herein, a California corporation doing business in the State of California.

7. Plaintiff is informed and believes, and thereupon alleges that Defendant PEDDER AUTO MANAGEMENT LLC is, and at all relevant times mentioned herein, a California corporation doing business in the State of California.

8. Plaintiff is informed and believes, and thereupon alleges that Defendant PEDDER AUTOMOTIVE, LLC is, and at all relevant times mentioned herein, a California corporation doing business in the State of California.

9. Plaintiff is informed and believes, and thereupon alleges that Defendant PEDDER NISSAN, LLC is, and at all relevant times mentioned herein, a California corporation doing business in the State of California.

10. Plaintiff is informed and believes, and thereupon alleges that Defendant LAKE ELSINORE CHRYSLER DODGE JEEP RAM, LLC is, and at all relevant times mentioned herein, a business entity of unknown form doing business in the State of California.

11. Plaintiff is ignorant of the true names and capacities of the defendants sued herein as DOES 1 through 50, inclusive, and therefore sues these defendants by such fictitious names. Plaintiff will amend this Complaint to allege the true names and capacities of the DOE defendants when

1 ascertained. Plaintiff is informed and believes, and thereupon alleges that each of the fictitiously  
2 named defendants are responsible in some manner for the occurrences, acts and omissions alleged  
3 herein and that Plaintiff's alleged damages were proximately caused by these defendants, and each of  
4 them. Plaintiff will amend this complaint to allege both the true names and capacities of the DOE  
5 defendants when ascertained.

6 12. Plaintiff is informed and believes, and thereupon alleges that, at all relevant times  
7 mentioned herein, some or all of the defendants were the representatives, agents, employees, partners,  
8 directors, associates, joint venturers, joint employers, owners, principals or co-participants of some  
9 or all of the other defendants, and in doing the things alleged herein, were acting within the course  
10 and scope of such relationship and with the full knowledge, consent, and ratification by such other  
11 defendants.

12 13. Plaintiff is informed and believes, and thereupon alleges that, at all relevant times  
13 mentioned herein, some of the defendants pursued a common course of conduct, acted in concert and  
14 conspired with one another, and aided and abetted one another to accomplish the occurrences, acts  
15 and omissions alleged herein.

16 14. This action has been brought and may be maintained as a class action pursuant to Code  
17 of Civil Procedure section 382 because there is a well-defined community of interest among the  
18 persons who comprise the readily ascertainable classes defined below and because Plaintiff is  
19 unaware of any difficulties likely to be encountered in managing this case as a class action.

20 15. **Relevant Time Period:** The relevant time period is defined as the time period  
21 beginning four years prior to the filing of this action until judgment is entered.

- 22 a. **Hourly Employee Class:** All persons employed by Defendants, collectively or  
23 separately, and/or any staffing agencies and/or any other third parties in hourly or  
24 non-exempt positions in California four years prior to the filing of this action and  
ending on the date that final judgment is entered in this action ("Hourly Employee  
Class").
- 25 b. **Meal Period Sub-Class:** All **Hourly Employee Class** members who worked in  
26 a shift in excess of five hours during the four years prior to the filing of this action  
and ending on the date that final judgment is entered in this action.
- 27 c. **Rest Period Sub-Class:** All **Hourly Employee Class** members who worked a  
28 shift of at least three and one-half (3.5) hours the four years prior to the filing of  
this action and ending on the date that final judgment is entered in this action.

- 1
- 2 d. **Unlawful Deduction Class:** All persons employed by Defendant in California
- 3 during the period beginning four years before the filing of this action and ending
- 4 when final judgment is entered.
- 5 e. **Reporting Time Pay Sub-Class:** All **Hourly Employee Class** members who
- 6 were required to call in or otherwise show up to work without being paid half of
- 7 their usual or scheduled day's work from four years prior to the filing of this action
- 8 and ending on the date that final judgment is entered in this action.
- 9 f. **Waiting Time Penalties Sub-Class:** All **Hourly Employee Class** members who
- 10 separated from their employment with Defendants during the period beginning
- 11 three years before the filing of this action and ending when final judgment is
- 12 entered.
- 13 g. **Vacation Pay Class:** All persons employed by Defendants in California who
- 14 earned paid vacation time and/or paid time off without receiving compensation for
- 15 all vested paid vacation time during the **Relevant Time Period**.
- 16 h. **Wage Statement Class:** All persons employed by Defendants in California during
- 17 the period beginning one year before the filing of this action and ending when final
- 18 judgment is entered.
- 19 i. **Expense Reimbursement Class:** All persons employed by Defendants in
- 20 California who incurred business expenses during the **Relevant Time Period**.
- 21 j. **UCL Class:** All **Hourly Employee Class** and **Expense Reimbursement Class**
- 22 members employed by Defendants in California during the four years prior to the
- 23 filing of this action and ending on the date that final judgment is entered in this
- 24 action.

25 16. **Reservation of Rights:** Pursuant to Rule of Court 3.765(b), Plaintiff reserves the right

26 to amend or modify the class definitions with greater specificity, by further division into sub-classes

27 and/or by limitation to particular issues.

28 17. **Numerosity:** The class members are so numerous that the individual joinder of each

individual class member is impractical. While Plaintiff does not currently know the exact number of

class members, Plaintiff is informed and believes, and thereupon alleges that the actual number

exceeds the minimum required for numerosity under California law.

18. **Commonality and Predominance:** Common questions of law and fact exist as to all

class members and predominate over any questions which affect only individual class members.

These common questions include, but are not limited to:

- a. Whether Defendants maintained a policy or practice of failing to provide
- employees with their rest periods;

- b. Whether Defendants maintained a policy or practice of failing to provide employees with their meal periods;
- c. Whether Defendants failed to pay premium wages to class members when they have not been provided with meal and rest periods at the appropriate rates of pay;
- d. Whether Defendants failed to pay minimum and/or overtime wages to class members for all time worked;
- e. Whether Defendants maintained a policy or practice of failing to pay proper reporting time pay;
- f. Whether Defendants failed to pay proper vacation wages;
- g. Whether Defendants maintained a policy or practice of making unlawful deductions from class members' wages;
- h. Whether Defendants failed to provide class members with accurate written wage statements as a result of providing them with written wage statements with inaccurate entries for, among other things, amounts of gross and net wages, and total hours worked;
- i. Whether Defendants applied policies or practices that result in late and/or incomplete final wage payments;
- j. Whether Defendants failed to reimburse class members for all necessary business expenses incurred during the discharge of their duties;
- k. Whether Defendants are liable to class members for waiting time penalties under Labor Code section 203; and
- l. Whether class members are entitled to restitution of money or property that Defendants may have acquired from them through unfair competition;

19. **Typicality:** Plaintiff's claims are typical of the other class members' claims. Plaintiff is informed and believes, and thereupon alleges that Defendants have a policy or practice of failing to comply with the California Labor Code and Business and Professions Code as alleged in this Complaint.

20. **Adequacy of Class Representative:** Plaintiff is an adequate class representative and

1 has no interests that are adverse to, or otherwise conflict with, the interests of absent class members  
2 and is dedicated to vigorously prosecuting this action on their behalf. Plaintiff will fairly and  
3 adequately represent and protect the interests of the other class members.

4 21. **Adequacy of Class Counsel:** Plaintiff's counsel are adequate class counsel in that  
5 they have no known conflicts of interest with Plaintiff or absent class members, are experienced in  
6 wage and hour class action litigation, and are dedicated to vigorously prosecuting this action on behalf  
7 of Plaintiff and absent class members.

8 22. **Superiority:** A class action is vastly superior to other available means for fair and  
9 efficient adjudication of the class members' claims and would be beneficial to the parties and the  
10 Court. Class action treatment will allow a number of similarly situated persons to simultaneously and  
11 efficiently prosecute their common claims in a single forum without the unnecessary duplication of  
12 effort and expense that numerous individual actions would entail. In addition, the monetary amounts  
13 due to many individual class members are likely to be relatively small and would thus make it  
14 difficult, if not impossible, for individual class members to both seek and obtain relief. Moreover, a  
15 class action will serve an important public interest by permitting class members to effectively pursue  
16 the recovery of monies owed to them. Further, a class action will prevent the potential for inconsistent  
17 or contradictory judgments inherent in individual litigation.

### 18 **GENERAL ALLEGATIONS**

19 23. Plaintiff worked for Defendants as a non-exempt employee during the relevant and  
20 statutory periods.

21 24. Defendants had a common policy and practice of systemically failing to pay Plaintiff  
22 and Class members proper wages and overtime for all hours worked, at the proper rates of pay.

23 25. Next, Plaintiff and Class Members were also consistently required to perform work,  
24 off-the-clock, for which they were not paid wages. Specifically, Plaintiff and Class Members were  
25 required to spend time before clocking in entering the premises, turning on and booting up work  
26 equipment, and assisting customers. Plaintiff and Class Members were also required to conduct work  
27 activities after clocking out due to understaffing, such as helping customers and other employees.  
28 Further, Defendants required Plaintiff and Class Members to use their personal vehicles for work-

1 related purposes, including traveling between company locations for two (2) to three (3) hours off the  
2 clock. Finally, Plaintiff and Class Members were required to use their personal cell phones for work-  
3 related activities off-the-clock, answering work calls and texts. The foregoing and uncompensated  
4 time was under the control and direction of defendants, for which no wages were paid.

5         26. This uncompensated time caused Plaintiff and Class Members to work in excess of  
6 eight (8), ten (10) and/or twelve (12) hours a day and/or forty (40) hours a week, entitling Plaintiff  
7 and Class Members to minimum and overtime wages, which they were systemically denied.

8         27. Defendants also failed to Plaintiff and Class Members overtime wages at the proper  
9 and applicable regular rates of pay. Specifically, Plaintiff and Class Members earned performance-  
10 based non-discretionary bonuses in addition to their hourly pay. However, these supplemental  
11 earnings were not accounted for when determining Plaintiff and Class Members' regular rates of pay,  
12 and respective and proper overtime rates of pay.

13         28. Defendants had a common policy and practice of systemically denying Plaintiff and  
14 Class Members the opportunity to take meal periods in compliance with the California Law.  
15 Specifically, Plaintiff and Class Members were prohibited from leaving the work premises during  
16 meal periods, when such meal periods were taken. Additionally, due to understaffing, heavy  
17 workloads, and pre-shift uncompensated working hours Plaintiff and Class Members were denied the  
18 opportunity to take timely meal periods prior to the completion of their fifth hour of work.  
19 Furthermore, Plaintiff and Class Members were not relieved of all work duties during unpaid meal  
20 periods and were required to keep working during meal breaks, including having to keep and monitor  
21 their personal cell phones, and remain available for work calls during breaks.

22         29. Plaintiff and Class Members were not provided with meal periods of at least thirty (30)  
23 minutes for each five (5) hour work period due to (1) Defendants' policy of not scheduling each meal  
24 period as part of each work shift; (2) no formal written meal policy that encouraged employees to  
25 take their meal periods, or that advised Class Members of their meal and rest period rights; and (3)  
26 Defendants' practice of requiring putative class members to continue working through their meal and  
27 rest periods due to the excessive workload.

28         30. Defendants had a common policy and practice of systemically denying Plaintiff and

1 Class Members the opportunity to take rest periods in compliance with the California Law. Plaintiff  
2 and Class Members were not provided with rest periods of at least ten (10) minutes for each four (4)  
3 hour work period, or major fraction thereof, due to (1) Defendants' policy of not scheduling each rest  
4 period as part of each work shift, including second rest breaks for shifts of six (6) hours or more; (2)  
5 no formal compliant written rest period policy that encouraged employees to take their rest periods,  
6 or that properly advised Plaintiff and Class Members of their rest period rights; (3) Defendants' policy  
7 and practice of requiring putative class members to continue working through their rest breaks due to  
8 the excessive workload, including having to keep and monitor their personal cell phones, and remain  
9 available for work calls during breaks.

10 31. Furthermore, Defendants failed to pay Plaintiff and Class Members premium pay  
11 wages at their appropriate regular rates of pay for each meal and rest period denied.

12 32. Defendants also had a common policy and practice of failing to pay Plaintiff and Class  
13 Members all reporting time pay to which they were entitled under California Law. Specifically,  
14 Plaintiff and Class Members were required to call in or otherwise show up to work for less than two  
15 (2) hours, but were not paid for their full scheduled shift.

16 33. Plaintiff and Class Members were not provided with accurate wage statements as  
17 mandated by law pursuant to Labor Code section 226. Specifically, Defendants failed to issue wage  
18 statements as "a detachable part of the check, draft, or voucher paying the employee's wages, or  
19 separately if wages are paid by personal check or cash, an accurate itemized statement in writing."  
20 Additionally, the wage statements issued to Plaintiff and Class Members were not recorded in "ink  
21 or other indelible form."

22 34. Defendants failed to comply with Labor Code section 226(a)(1) as "gross wages  
23 earned" were not accurately reflected in that: all hours worked, including overtime, were not included.

24 35. Defendants failed to comply with Labor Code section 226(a)(2) as "total hours worked  
25 by the employee" were not accurately reflected in that: all hours worked, including overtime, were  
26 not included.

27 36. Defendants failed to comply with Labor Code section 226(a)(5) as "net wages earned"  
28 were not accurately reflected in that: all hours worked, including overtime, were not included.

1           37. Defendants failed to comply with Labor Code section 226(a)(8) as the wage statements  
2 issues to Plaintiff and Class Members failed to state “the name and address of the legal entity that is  
3 the employer.”

4           38. Defendants failed to comply with Labor Code section 226(a)(9) as “all applicable  
5 hourly rates in effect during the pay period and the corresponding number of hours worked at each  
6 hourly rate by the employee” were not accurately reflected in that: all hours worked, including  
7 overtime, were not included.

8           39. Furthermore, Defendants failed to provide Plaintiff and Class Members with paper pay  
9 stubs as required by Labor Code § 226, applicable Wage Orders, and DLSE Opinion Letters.  
10 Plaintiff’s and Class Members’ wage statement were only provided in electronic format in violation  
11 of Labor Code § 226.

12           40. Plaintiff and Class Members were not reimbursed for business expenses incurred in  
13 executing their duties under Defendant’s employ. Specifically, Plaintiff and Class Members were  
14 required to use their personal cell phone for work both on and off the clock, incurring costs for phone  
15 usage and maintenance. In addition, Plaintiff and Class Members were required to use their personal  
16 vehicles for work-related purposes, incurring costs for gasoline, maintenance, and other transportation  
17 costs. Defendants never paid Plaintiff and Class Members for these necessary work expenses.

18           41. Defendants had a common policy and practice of unlawfully receiving and/or  
19 collecting wages from Plaintiff and Class Members. Specifically, Defendants’ deducted Plaintiff and  
20 Class Members’ vested wages for unspecified and invalid reasons.

21           42. Defendants also had a common policy and practice of systemically failing to pay  
22 Plaintiff and Class Members the requisite and accrued vacation time pay in accordance with  
23 California Law. Specifically, Defendants maintained an illegal cap on vacation time. Further,  
24 Defendants failed to pay Plaintiff and Class Members for accrued vacation time upon the separation  
25 of employment.

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1 **FIRST CAUSE OF ACTION**

2 **FAILURE TO PROVIDE MEAL PERIODS**

3 **(Lab. Code §§ 226.7, 512, 1174, and 1198)**

4 **(Plaintiff and Meal Period Sub-Class)**

5 43. Plaintiff incorporates by reference the preceding paragraphs of the Complaint as if  
6 fully alleged herein.

7 44. At all relevant times, Plaintiff and the **Meal Period Sub-Class** members have been  
8 non-exempt employees of Defendant entitled to the full meal period protections of both the Labor  
9 Code and the applicable Industrial Welfare Commission Wage Order.

10 45. Labor Code section 512 and Section 11 of the applicable Industrial Welfare  
11 Commission Wage Order impose an affirmative obligation on employers to provide non-exempt  
12 employees with uninterrupted, duty-free meal periods of at least thirty minutes for each work period  
13 of five hours, and to provide them with two uninterrupted, duty-free meal periods of at least thirty  
14 minutes for each work period of ten hours.

15 46. Labor Code section 226.7 and Section 11 of the applicable Industrial Welfare  
16 Commission Wage Order (“Wage Order”) both prohibit employers from requiring employees to work  
17 during required meal periods and require employers to pay non-exempt employees an hour of  
18 premium wages on each workday that the employee is not provided with the required meal period.

19 47. Compensation for missed meal periods constitutes wages within the meaning of Labor  
20 Code section 200.

21 48. Labor Code section 1198 makes it unlawful to employ a person under conditions that  
22 violate the applicable Wage Order.

23 49. Section 11 of the applicable Wage Order states:

24 No employer shall employ any person for a work period of more than  
25 five (5) hours without a meal period of not less than 30 minutes, except  
26 that when a work period of not more than six (6) hours will complete  
27 the day’s work the meal period may be waived by mutual consent of  
28 the employer and employee. Unless the employee is relieved of all duty  
during a 30 minute meal period, the meal period shall be considered an  
‘on duty’ meal period and counted as time worked. An ‘on duty’ meal  
period shall be permitted only when the nature of the work prevents an  
employee from being relieved of all duty and when by written

1 agreement between the parties an on-the-job paid meal period is agreed  
2 to. The written agreement shall state that the employee may, in writing,  
revoke the agreement at any time.

3 50. At all relevant times, Plaintiff was not subject to a valid on-duty meal period  
4 agreement. Plaintiff is informed and believes that, at all relevant times, **Meal Period Sub-Class**  
5 members were not subject to valid on-duty meal period agreements with Defendants.

6 51. Plaintiff alleges that, at all relevant times during the applicable limitations period,  
7 Defendants maintained a policy or practice of not providing Plaintiff and members of the **Meal Period**  
8 **Sub-Class** with uninterrupted, duty-free meal periods for at least thirty (30) minutes for each five (5)  
9 hour work period, as required by Labor Code section 512 and the applicable Wage Order.  
10 Specifically, Plaintiff and **Meal Period Sub-Class** members were prohibited from leaving the work  
11 premises during meal periods, when such meal periods were taken. Additionally, due to understaffing,  
12 heavy workloads, and pre-shift uncompensated working hours Plaintiff and **Meal Period Sub-Class**  
13 members were denied the opportunity to take timely meal periods prior to the completion of their fifth  
14 hour of work. Furthermore, Plaintiff and **Meal Period Sub-Class** members were not relieved of all  
15 work duties during unpaid meal periods and were required to keep working during meal breaks,  
16 including having to keep and monitor their personal cell phones, and remain available for work calls  
17 during breaks.

18 52. Plaintiff and **Meal Period Sub-Class** members were not provided with meal periods  
19 of at least thirty (30) minutes for each five (5) hour work period due to (1) Defendants' policy of not  
20 scheduling each meal period as part of each work shift; (2) no formal written meal policy that  
21 encouraged employees to take their meal periods, or that advised **Meal Period Sub-Class** members  
22 of their meal and rest period rights; and (3) Defendants' practice of requiring **Meal Period Sub-Class**  
23 members to continue working through their meal and rest periods due to the excessive workload.

24 53. Plaintiff alleges that, at all relevant times during the applicable limitations period,  
25 Defendants maintained a policy or practice of failing to pay premium wages to **Meal Period Sub-**  
26 **Class** members when they worked five (5) hours without clocking out for any meal period.

27 54. Plaintiff alleges that, at all relevant times during the applicable limitations period,  
28 Defendants maintained a policy or practice of not providing Plaintiff and members of the **Meal Period**

1 **Sub-Class** with a second meal period when they worked shifts of ten (10) or more hours and failed  
2 to pay them premium wages as required by Labor Code 512 and the applicable Wage Order.

3 55. Moreover, Defendants written policies fail to inform Meal period Class Members of  
4 their meal period rights under the Labor Code and applicable Wage Orders.

5 56. At all relevant times, Defendants failed to pay Plaintiff and the **Meal Period Sub-**  
6 **Class** members additional premium wages, and/or were not paid premium wages at the employees'  
7 regular rates of pay when required meal periods were not provided.

8 57. Pursuant to Labor Code section 204, 218.6, 226.7 and 512, Plaintiff, on behalf of  
9 herself and the **Meal Period Sub-Class** members, seeks to recover unpaid premium wages, interest  
10 thereon, and costs of suit.

11 58. Pursuant to Labor Code section 1194, Code of Civil Procedure section 1021.5, the  
12 substantial benefit doctrine, and/or the common fund doctrine, Plaintiff, on behalf of herself and the  
13 **Meal Period Sub-Class** members, seeks to recover reasonable attorneys' fees.

14 **SECOND CAUSE OF ACTION**

15 **FAILURE TO PROVIDE REST PERIODS**

16 **(Lab. Code §§ 204, 223, 226.7 and 1198)**

17 **(Plaintiff and Rest Period Sub-Class)**

18 59. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged  
19 herein.

20 60. At all relevant times, Plaintiff and the **Rest Period Sub-Class** members have been  
21 non-exempt employees of Defendants entitled to the full rest period protections of both the Labor  
22 Code and the applicable Wage Order.

23 61. Section 12 of the applicable Wage Order imposes an affirmative obligation on  
24 employers to permit and authorize employees to take required rest periods at a rate of no less than ten  
25 (10) minutes of net rest time for each four (4) hour work period, or major fraction thereof, that must  
26 be in the middle of each work period insofar as practicable.

27 62. Labor Code section 226.7 and Section 12 of the applicable Wage Order both prohibit  
28 employers from requiring employees to work during required rest periods and require employers to

1 pay non-exempt employees an hour of premium wages at the employees' regular rates of pay, on each  
2 workday that the employee is not provided with the required rest period(s).

3 63. Compensation for missed rest periods constitutes wages within the meaning of Labor  
4 Code section 200.

5 64. Labor Code section 1198 makes it unlawful to employ a person under conditions that  
6 violate the Wage Order.

7 65. Plaintiff alleges that, at all relevant times during the applicable limitations period,  
8 Defendants maintained a policy or practice of not providing members of the **Rest Period Sub-Class**  
9 with net rest period of at least ten (10) uninterrupted minutes for each four (4) hour work period, or  
10 major fraction thereof, as required by the applicable Wage Order.

11 66. Plaintiff and **Rest Period Sub-Class** members were not provided with rest periods of  
12 at least ten (10) minutes for each four (4) hour work period, or major fraction thereof, due to (1)  
13 Defendants' policy of not scheduling each rest period as part of each work shift, including second  
14 rest breaks for shifts of six (6) hours or more; (2) no formal compliant written rest period policy that  
15 encouraged employees to take their rest periods, or that properly advised Plaintiff and **Rest Period**  
16 **Sub-Class** members of their rest period rights; (3) Defendants' policy and practice of requiring **Rest**  
17 **Period Sub-Class** members to continue working through their rest breaks due to the excessive  
18 workload, including having to keep and monitor their personal cell phones, and remain available for  
19 work calls during breaks.

20 67. At all relevant times, Defendants failed to pay Plaintiff and the **Rest Period Sub-Class**  
21 members additional premium wages when required rest periods were not provided.

22 68. Pursuant to Labor Code section 204, 218.6 and 226.7, Plaintiff, on behalf of herself  
23 and **Rest Period Sub-Class** members, seeks to recover unpaid premium wages, interest thereon, and  
24 costs of suit.

25 69. Pursuant to Labor Code section 1194, Code of Civil Procedure section 1021.5, the  
26 substantial benefit doctrine, and/or the common fund doctrine, Plaintiff, on behalf of herself and **Rest**  
27 **Period Sub-Class** members, seeks to recover reasonable attorneys' fees.

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1 **THIRD CAUSE OF ACTION**

2 **FAILURE TO PAY HOURLY AND OVERTIME WAGES**

3 **(Lab. Code §§ 223, 510, 1194, 1197 and 1198)**

4 **(Plaintiff and Hourly Employee Class)**

5 70. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged  
6 herein.

7 71. At all relevant times, Plaintiff and **Hourly Employee Class** members are or have been  
8 non-exempt employees of Defendants entitled to the full protections of the Labor Code and the  
9 applicable Wage Order.

10 72. Section 2 of the applicable Wage Order defines “hours worked” as “the time during  
11 which an employee is subject to the control of the employer, and includes all the time the employee  
12 is suffered or permitted to work, whether or not required to do so.”

13 73. Section 4 of the applicable Wage Order requires an employer to pay non-exempt  
14 employees at least the minimum wage set forth therein for all hours worked, which consist of all hours  
15 that an employer has actual or constructive knowledge that employees are working.

16 74. Labor Code section 1194 invalidates any agreement between an employer and an  
17 employee to work for less than the minimum or overtime wage required under the applicable Wage  
18 Order.

19 75. Labor Code section 1194.2 entitles non-exempt employees to recover liquidated  
20 damages in amounts equal to the amounts of unpaid minimum wages and interest thereon in addition  
21 to the underlying unpaid minimum wages and interest thereon.

22 76. Labor Code section 1197 makes it unlawful for an employer to pay an employee less  
23 than the minimum wage required under the applicable Wage Order for all hours worked during a  
24 payroll period.

25 77. Labor Code section 1197.1 provides that it is unlawful for any employer or any other  
26 person acting either individually or as an officer, agent or employee of another person, to pay an  
27 employee, or cause an employee to be paid, less than the applicable minimum wage.

28 78. Labor Code section 1198 makes it unlawful for employers to employ employees under

1 conditions that violate the applicable Wage Order.

2 79. Labor Code section 204 requires employers to pay non-exempt employees their earned  
3 wages for the normal work period at least twice during each calendar month on days the employer  
4 designates in advance and to pay non-exempt employees their earned wages for labor performed in  
5 excess of the normal work period by no later than the next regular payday.

6 80. Labor Code section 223 makes it unlawful for employers to pay their employees lower  
7 wages than required by contract or statute while purporting to pay them legal wages.

8 81. Labor Code section 510 and Section 3 of the applicable Wage Order require employees  
9 to pay non-exempt employees overtime wages of no less than one and one-half (1.5) times their  
10 respective regular rates of pay for all hours worked in excess of eight (8) hours in one workday, all  
11 hours worked in excess of forty (40) hours in one workweek, and/or for the first eight (8) hours  
12 worked on the seventh consecutive day of one workweek.

13 82. Labor Code section 510 and Section 3 of the applicable Wage Order also require  
14 employers to pay non-exempt employees overtime wages of no less than two (2) times their respective  
15 regular rates of pay for all hours worked in excess of twelve (12) hours in one workday and for all  
16 hours worked in excess of eight (8) hours on a seventh consecutive workday during the workweek.

17 83. Plaintiff is informed and believes that, at all relevant times, Defendants have applied  
18 centrally devised policies and practices to her and **Hourly Employee Class** members with respect to  
19 working conditions and compensation arrangements.

20 84. At all relevant times, Defendants failed to pay hourly wages to Plaintiff and **Hourly**  
21 **Employee Class** members for all time worked, including but not limited to, overtime hours at  
22 statutory and/or agreed rates.

23 85. Plaintiff and **Hourly Employee Class** members were not paid proper wages and  
24 overtime for all hours worked, at the proper rates of pay.

25 86. Plaintiff and **Hourly Employee Class** members were consistently required to perform  
26 work, off-the-clock for which they were not paid wages. Specifically, Plaintiff and **Hourly Employee**  
27 **Class** members were required to spend time before clocking in entering the premises, turning on and  
28 booting up work equipment, and assisting customers. Plaintiff and **Hourly Employee Class** members

1 were also required to conduct work activities after clocking out due to understaffing, such as helping  
2 customers and other employees. Further, Defendants required Plaintiff and **Hourly Employee Class**  
3 members to use their personal vehicles for work-related purposes, including traveling between  
4 company locations for two (2) to three (3) hours off the clock. Finally, Plaintiff and **Hourly Employee**  
5 **Class** members were required to use their personal cell phones for work-related activities off-the-  
6 clock, answering work calls and texts. The foregoing and uncompensated time was under the control  
7 and direction of defendants, for which no wages were paid. This uncompensated time caused Plaintiff  
8 and **Hourly Employee Class** members to work in excess of eight (8), ten (10), and twelve (12) hours  
9 a day and/or forty (40) hours a week, entitling Plaintiff and **Hourly Employee Class** members to  
10 minimum and overtime wages, which they were systemically denied.

11 87. Defendants also failed to Plaintiff and **Hourly Employee Class** members overtime  
12 wages at the proper and applicable regular rates of pay. Specifically, Plaintiff and **Hourly Employee**  
13 **Class** members earned performance-based non-discretionary bonuses in addition to their hourly pay.  
14 However, these supplemental earnings were not accounted for when determining Plaintiff and **Hourly**  
15 **Employee Class** members' regular rates of pay, and respective and proper overtime rates of pay.

16 88. As a result of Defendants' unlawful conduct, Plaintiff and **Hourly Employee Class**  
17 members have suffered damages in an amount, subject to proof, to the extent they were not paid the  
18 full amount of wages earned during each pay period during the applicable limitations period,  
19 including overtime wages.

20 89. Pursuant to Labor Code sections 204, 218.6, 223, 510, 1194 and 1194.2, Plaintiff, on  
21 behalf of herself and **Hourly Employee Class** members, seeks to recover unpaid straight time and  
22 overtime wages, interest thereon and costs of suit.

23 90. Pursuant to Labor Code section 1194, Code of Civil Procedure section 1021.5, the  
24 substantial benefit doctrine, and/or the common fund doctrine, Plaintiff, on behalf of herself and  
25 **Hourly Employee Class** members, seeks to recover reasonable attorneys' fees.

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1 **FOURTH CAUSE OF ACTION**

2 **RECOVERY OF REPORTING TIME PAY**

3 **(Plaintiff and Reporting Time Pay Sub-Class)**

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

6 92. The IWC Wage Orders, require that reporting time pay be provided to any employee  
7 who is required to report for work and does report, but is not put to work or is furnished less than  
8 half said employee's usual or scheduled day's work.

9 93. Plaintiff is informed and believes and thereon alleges that all or substantially all the  
10 **Reporting Time Pay Sub-Class** are subject to Defendants' policies and practices requiring them to  
11 call in or otherwise show up to work but not being paid half said their usual or scheduled day's work.  
12 Specifically, Plaintiff and **Reporting Time Pay Sub-Class** Members were required to call in or  
13 otherwise show up to work for less than two (2) hours, but were not paid for their full scheduled shift.

14 94. Therefore, **Reporting Time Pay Sub-Class** Members are owed the unpaid balance  
15 of said wages pursuant to the Wage order according to proof at trial, Interest pursuant to Labor  
16 Code §§ 218.6 and 1194(a), Civil Code §§ 3287 and § 3289, and reasonable attorneys' fees and  
17 costs and/or penalties pursuant to Labor Code § 558(a).

18 **FIFTH CAUSE OF ACTION**

19 **FAILURE TO PAY VACATION WAGES**

20 **(Lab. Code § 227.3)**

21 **(Plaintiff and Vacation Pay Class)**

22 95. Plaintiff incorporates the preceding paragraphs as if fully alleged herein.

23 96. California Labor Code section 227.3 provides:

24 Unless otherwise provided by a collective-bargaining agreement,  
25 whenever a contract of employment or employer policy provides for  
26 paid vacations, and an employee is terminated without having taken off  
27 his vested vacation time, all vested vacation shall be paid to him as  
28 wages at his final rate in accordance with such contract of employment  
or employer policy respecting eligibility or time served; provided,  
however, that an employment contract or employer policy shall not  
provide for forfeiture of vested vacation time upon termination. The  
Labor Commissioner or a designated representative, in the resolution

1 of any dispute with regard to vested vacation time, shall apply the  
2 principles of equity and fairness.

3 97. At all relevant times during the applicable limitations period, Plaintiff and members  
4 of the **Vacation Pay Class** accrued vacation time, and/or paid time off, during their employment  
5 with Defendants.

6 98. However, Defendants implemented a common policy and practice of failing to pay  
7 Plaintiff and **Vacation Pay Class** members for all accrued vacation wages upon separation of  
8 employment, in violation of Labor Code 227.3. Specifically, Defendants maintained an illegal cap  
9 on vacation time. Further, Defendants failed to pay Plaintiff and **Vacation Pay Class** members for  
10 accrued vacation time upon the separation of employment.

11 99. By reason of the above, Plaintiff and the members of the **Vacation Pay Class** are  
12 entitled to restitution for all unpaid amounts due and owing to within four (4) years of the date of  
13 the filing of the original Complaint until the date of entry of judgment.

14 100. Plaintiff, on behalf of herself and the members of the **Vacation Pay Class**, seeks  
15 interest thereon pursuant to California Labor Code section 218.6, costs pursuant to California  
16 Labor Code section 218.6, and reasonable attorneys' fees pursuant to California Code of Civil  
17 Procedure section 1021.5.

## 18 **SIXTH CAUSE OF ACTION**

### 19 **UNLAWFUL RECEIPT AND COLLECTION OF WAGES**

20 **(Lab. Code § 221)**

21 **(Plaintiff and Unlawful Deduction Class)**

22 101. Plaintiffs reallege and incorporate all preceding paragraphs, as though set forth in  
23 full herein.

24 102. Labor Code § 221 provides, "It shall be unlawful for any employer to collect or  
25 receive from an employee any part of wages theretofore paid by said employer to said employee."

26 103. Defendants had a common policy and practice of unlawfully receiving and/or  
27 collecting wages from Plaintiff and **Unlawful Deduction Class** members. Specifically, Defendants'  
28 deducted Plaintiff and **Unlawful Deduction Class** members' vested wages for unspecified and

1 invalid reasons.

2 104. Accordingly, Plaintiff and **Unlawful Deduction Class** members are entitled to all  
3 unlawfully deducted, received, and/or collected amounts due and owing to within four years of the  
4 date of the filing of the Complaint and until the date of entry of judgment.

5 105. Plaintiff, on behalf of himself, and **Unlawful Deduction Class** members, seeks  
6 interest thereon and costs pursuant to Labor Code section 218.6, and reasonable attorneys' fees  
7 pursuant to Code of Civil Procedure section 1021.5.

8 **SEVENTH CAUSE OF ACTION**

9 **FAILURE TO PROVIDE ACCURATE WRITTEN WAGE STATEMENTS**

10 **(Lab. Code § 226)**

11 **(Plaintiff and Wage Statement Penalties Sub-Class)**

12 106. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged  
13 herein.

14 107. Labor Code section 226(a) states:

15 An employer, semimonthly or at the time of each payment of wages,  
16 shall furnish to his or her employee, either as a detachable part of the  
17 check, draft, or voucher paying the employee's wages, or separately if  
18 wages are paid by personal check or cash, an accurate itemized  
19 statement in writing showing (1) gross wages earned, (2) total hours  
20 worked by the employee, except as provided in subdivision (j), (3) the  
21 number of piece-rate units earned and any applicable piece rate if the  
22 employee is paid on a piece-rate basis, (4) all deductions, provided that  
23 all deductions made on written orders of the employee may be  
24 aggregated and shown as one item, (5) net wages earned, (6) the  
25 inclusive dates of the period for which the employee is paid, (7) the  
26 name of the employee and only the last four digits of his or her social  
27 security number or an employee identification number other than a  
28 social security number, (8) the name and address of the legal entity that  
is the employer and, if the employer is a farm labor contractor, as  
defined in subdivision (b) of Section 1682, the name and address of the  
legal entity that secured the services of the employer, and (9) all  
applicable hourly rates in effect during the pay period and the  
corresponding number of hours worked at each hourly rate by the  
employee and, beginning July 1, 2013, if the employer is a temporary  
services employer as defined in Section 201.3, the rate of pay and the  
total hours worked for each temporary services assignment. The  
deductions made from payment of wages shall be recorded in ink or  
other indelible form, properly dated, showing the month, day, and year,  
and a copy of the statement and the record of the deductions shall be  
kept on file by the employer for at least three years at the place of  
employment or at a central location within the State of California. For

1 purposes of this subdivision, ‘copy’ includes a duplicate of the itemized  
2 statement provided to an employee or a computer-generated record that  
accurately shows all of the information required by this subdivision.

3 108. The Division of Labor Standards Enforcement (“DLSE”) has sought to harmonize the  
4 “detachable part of the check” provision and the “accurate itemized statement in writing” provision  
5 of Labor Code section 226(a) by allowing for electronic wage statements so long as each employee  
6 retains the right to elect to receive a written paper stub or record and that those who are provided with  
7 electronic wage statements retain the ability to easily access the information and convert the electronic  
8 statements into hard copies at no expense to the employee. (DLSE Opinion Letter July 6, 2006).

9 109. Plaintiff is informed and believes that, at all relevant times during the applicable  
10 limitations period, Defendants have failed to provide Plaintiff and **Wage Statement Class** members  
11 with written wage statements as described above. Additionally, the wage statements issued to class  
12 members failed to account for the unpaid minimum wages, overtime, and premium pay wages  
13 described above.

14 110. Furthermore, Defendants failed to provide Plaintiff and **Wage Statement Class**  
15 Members with paper pay stubs as required by Labor Code § 226, applicable Wage Orders, and DLSE  
16 Opinion Letters. Plaintiff’s and **Wage Statement Class** members’ wage statements were only  
17 provided in electronic format in violation of Labor Code § 226.

18 111. Defendants failed to comply with Labor Code section 226(a)(8) as the wage statements  
19 issues to Plaintiff and **Wage Statement Class** Members failed to state “the name and address of the  
20 legal entity that is the employer.”

21 112. Plaintiff is informed and believes that Defendants’ failure to provide Plaintiff and  
22 **Wage Statement Class** members with accurate written wage statements was intentional in that  
23 Defendants have the ability to provide them with accurate wage statements but have intentionally  
24 provided them with written wage statements that Defendants have known do not comply with Labor  
25 Code section 226(a).

26 113. Plaintiff and **Wage Statement Class** members have suffered injuries, in that  
27 Defendants have violated their legal rights to receive accurate wage statements and have misled them  
28 about their actual rates of pay and wages earned. In addition, inaccurate information on their wage

1 statements has prevented immediate challenges to Defendants' unlawful pay practices, has required  
2 discovery and mathematical computations to determine the amount of wages owed, has caused  
3 difficulty and expense in attempting to reconstruct time and pay records, and/or has led to the  
4 submission of inaccurate information about wages and deductions to federal and state government  
5 agencies.

6 114. Pursuant to Labor Code section 226(e), Plaintiff, on behalf of herself and **Wage**  
7 **Statement Class** members, seeks the greater of actual damages or \$50.00 for the initial pay period in  
8 which a violation of Labor Code section 226(a) occurred, and \$100.00 for each subsequent pay period  
9 in which a violation of Labor Code section 226(a) occurred, not to exceed an aggregate penalty of  
10 \$4000.00 per class member, as well as awards of reasonable attorneys' fees and costs.

11 **EIGHTH CAUSE OF ACTION**

12 **FAILURE TO TIMELY PAY ALL FINAL WAGES**

13 **(Lab. Code §§ 201-203)**

14 **(Plaintiff and Waiting Time Penalties Sub-Class)**

15 115. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged  
16 herein.

17 116. At all relevant times, Plaintiff and **Waiting Time Penalties Sub-Class** members have  
18 been entitled, upon the end of their employment with Defendants, to timely payment of all wages  
19 earned and unpaid before termination or resignation.

20 117. At all relevant times, pursuant to Labor Code section 201, employees who have been  
21 discharged have been entitled to payment of all final wages immediately upon termination.

22 118. At all relevant times, pursuant to Labor Code section 202, employees who have  
23 resigned after giving at least seventy-two (72) hours' notice of resignation have been entitled to  
24 payment of all final wages at the time of resignation.

25 119. Plaintiff is informed and believes that, at all relevant times during the applicable  
26 limitations period, Defendants have failed to timely pay **Waiting Time Penalties Sub-Class**  
27 members all their final wages in accordance with the Labor Code.

28 120. Plaintiff is informed and believes that, at all relevant times during the applicable

1 limitations period, Defendants have maintained a policy or practice of paying **Waiting Time**  
2 **Penalties Sub-Class** members their final wages without regard to the requirements of Labor Code  
3 sections 201 or 202 by failing to timely pay them all final wages.

4 121. Plaintiff is informed and believes, and thereupon alleges that Defendants' failure to  
5 timely pay all final wages to her and **Waiting Time Penalties Sub-Class** members has been willful  
6 in that Defendants have the ability to pay final wages in accordance with Labor Code sections 201  
7 and/or 202 but have intentionally adopted policies or practices that are incompatible with those  
8 requirements.

9 122. Pursuant to Labor Code sections 203 and 218.6, Plaintiff, on behalf of herself and  
10 **Waiting Time Penalties Sub-Class** members, seeks waiting time penalties from the dates that their  
11 final wages have first become due until paid, up to a maximum of thirty days, and interest thereon.

12 123. Pursuant to Code of Civil Procedure section 1021.5, the substantial benefit doctrine  
13 and/or the common fund doctrine, Plaintiff, on behalf of herself and **Waiting Time Penalties Sub-**  
14 **Class** members, seeks awards of reasonable attorneys' fees and costs.

15 **NINTH CAUSE OF ACTION**

16 **FAILURE TO INDEMNIFY**

17 **(Lab. Code § 2802)**

18 **(Plaintiff and Reimbursement Class)**

19 124. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged  
20 herein.

21 125. Labor Code section 2802(a) states:

22 An employer shall indemnify his or her employee for all necessary  
23 expenditures or losses incurred by the employee in direct consequence  
24 of the discharge of his or her duties, or of his or her obedience to the  
directions of the employer, even though unlawful, unless the employee,  
at the time of obeying the directions, believed them to be unlawful.

25 126. Plaintiff and **Expense Reimbursement Class** members were not reimbursed for  
26 business expenses incurred in executing their duties under Defendant's employ. Specifically, Plaintiff  
27 and **Expense Reimbursement Class** members were required to use their personal cell phone for work  
28 both on and off the clock, incurring costs for phone usage and maintenance. In addition, Plaintiff and

1 **Expense Reimbursement Class** members were required to use their personal vehicles for work-  
2 related purposes, incurring costs for gasoline, maintenance, and other transportation costs. Defendants  
3 never paid Plaintiff and **Expense Reimbursement Class** members for these necessary work  
4 expenses.

5 127. Accordingly, Plaintiff and **Expense Reimbursement Class** members are entitled to  
6 restitution for all unpaid amounts due and owing to within four (4) years of the date of the filing of  
7 the Complaint and until the date of entry of judgment.

8 128. Plaintiff, on behalf of herself, and **Expense Reimbursement Class** members, seeks  
9 interest thereon and costs pursuant to Labor Code section 218.6, and reasonable attorneys' fees and  
10 costs pursuant to Code of Civil Procedure section 1021.5.

11 **TENTH CAUSE OF ACTION**

12 **UNFAIR COMPETITION**

13 **(Bus. & Prof. Code §§ 17200 *et seq.*)**

14 **(Plaintiff and UCL Class)**

15 129. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged  
16 herein.

17 130. Business and Professions Code section 17200 defines "unfair competition" to include  
18 any unlawful business practice.

19 131. Business and Professions Code sections 17203-17204 allow a person who has lost  
20 money or property as a result of unfair competition to bring a class action in accordance with Code  
21 of Civil Procedure section 382 to recover money or property that may have been acquired from  
22 similarly situated persons by means of unfair competition.

23 132. California law requires employers to pay hourly, non-exempt employees for all hours  
24 they are permitted or suffered to work, including hours that the employer knows or reasonable should  
25 know that employees have worked.

26 133. Plaintiff and the **UCL Class** members re-allege and incorporate the FIRST, SECOND,  
27 THIRD, FOURTH, FIFTH, SIXTH and NINTH causes of action herein.

28 134. Plaintiff lost money or property as a result of the aforementioned unfair competition.

1           135. Defendants have or may have acquired money by means of unfair competition.

2           136. Plaintiff is informed and believes, and thereupon alleges that by committing the Labor  
3 Code violations described in this Complaint, Defendants violated Labor Code sections 215, 216, 221,  
4 225, 226.6, 226.7, 227.3, 354, 408, 512, 510, 553, 1175, 1174, 1194, 1194.2, 1197, 1197.1, 1198,  
5 1199, and 2802 as well as applicable Wage Orders, which make it a misdemeanor to commit the  
6 violations alleged herein.

7           137. Defendants have committed criminal conduct through their policies and practices of,  
8 *inter alia*, failing to comport with their affirmative obligations as an employer to: provide non-exempt  
9 employees with compliant meal and rest periods; pay for all hours worked at the proper rates of pay;  
10 reporting time pay; and reimbursement for necessary business expenditures.

11           138. Defendants' unlawful conduct as alleged in this Complaint amounts to and constitutes  
12 unfair competition within the meaning of Business and Professions Code section 17200 *et seq.*  
13 Business and Professions Code section 17200 *et seq.* protects against unfair competition and allows  
14 a person who has suffered an injury-in-fact and has lost money or property as a result of an unfair,  
15 unlawful or fraudulent business practice to seek restitution on his own behalf and on behalf of  
16 similarly situated persons in a class action proceeding.

17           139. As a result of Defendants' violations of the Labor Code during the applicable  
18 limitations period, Plaintiff has suffered an injury-in-fact and has lost money or property in the form  
19 of earned wages. Specifically, Plaintiff has lost money or property as a result of Defendants' conduct.

20           140. Plaintiff is informed and believes that other similarly situated persons have been  
21 subject to the same unlawful policies or practices of Defendants.

22           141. Due to the unfair and unlawful business practices in violation of the Labor Code,  
23 Defendants have gained a competitive advantage over other comparable companies doing business in  
24 the State of California that comply with their legal obligations.

25           142. California's Unfair Competition Law ("UCL") permits civil recovery and injunctive  
26 relief for "any unlawful, unfair or fraudulent business act or practice," including if a practice or act  
27 violates or is considered unlawful under any other state or federal law.

28           143. Accordingly, pursuant to Business and Professions Code sections 17200 and 17203,

1 Plaintiff requests the issuance of temporary, preliminary and permanent injunctive relief enjoining  
2 Defendants, and each of them, and their agents and employees, from further violations of the Labor  
3 Code and applicable Wage Orders.

4 144. Accordingly, pursuant to Bus. & Prof. Code sections 17200 and 17203, Plaintiff  
5 requests the issuance of temporary, preliminary and permanent injunctive relief enjoining  
6 Defendants, and each of them, and their agents and employees, from further violations of the Labor  
7 Code and applicable Industrial Welfare Commission Wage Orders; and upon a final hearing seeks  
8 an order permanently enjoining Defendants, and each of them, and their respective agents and  
9 employees, from further violations of the Labor Code and applicable Industrial Welfare Commission  
10 Wage Orders.

11 145. Pursuant to Business and Professions Code section 17203, Plaintiff, on behalf of  
12 herself and **UCL Class** members, seeks declaratory relief and restitution of all monies rightfully  
13 belonging to them that Defendants did not pay them or otherwise retained by means of its unlawful  
14 and unfair business practices.

15 146. Pursuant to Code of Civil Procedure section 1021.5, the substantial benefit doctrine  
16 and/or the common fund doctrine, Plaintiff and **UCL Class** members are entitled to recover  
17 reasonable attorneys' fees in connection with their unfair competition claims.

18 147. Pursuant to Business and Professions Code section 17203, Plaintiff, on behalf of  
19 herself and **UCL Class** members, seeks declaratory relief and restitution of all monies rightfully  
20 belonging to them that Defendants did not pay them or otherwise retained by means of its unlawful  
21 and unfair business practices.

22 148. Pursuant to Code of Civil Procedure section 1021.5, the substantial benefit doctrine  
23 and/or the common fund doctrine, Plaintiff and **UCL Class** members are entitled to recover  
24 reasonable attorneys' fees in connection with their unfair competition claims.

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1 **PRAYER FOR RELIEF**

2 WHEREFORE, Plaintiff, on behalf of herself, all others similarly situated, and the general  
3 public, prays for relief and judgment against Defendants as follows:

- 4 a. An order that the action be certified as a class action;  
5 b. An order that Plaintiff be appointed class representative;  
6 c. An order that counsel for Plaintiff be appointed class counsel;  
7 d. Unpaid wages and overtime;  
8 e. Actual damages;  
9 f. Liquidated damages;  
10 g. Unreimbursed expenses;  
11 h. Restitution;  
12 i. Declaratory relief;  
13 j. Pre-judgment interest;  
14 k. Statutory penalties;  
15 l. Costs of suit;  
16 m. Reasonable attorneys' fees; and  
17 n. Such other relief as the Court deems just and proper.

18  
19 Dated: February 5, 2024

D.LAW, INC.

20  
21 

22 \_\_\_\_\_  
23 Emil Davtyan  
24 David Yeremian  
25 David Keledjian  
26 David Arakelyan  
27 Attorneys for Plaintiff  
28 THERESA MADRIGAL, and the putative class

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**DEMAND FOR JURY TRIAL**

Plaintiff, on behalf of herself, all other similarly situated, and the general public, hereby demands a jury trial on all issues so triable.

Dated: February 5, 2024

D.LAW, INC.



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Emil Davtyan  
David Yeremian  
David Keledjian  
David Arakelyan  
Attorneys for Plaintiff  
THERESA MADRIGAL, and the putative class