

Arby Aiwarzian (SBN 269827)
Joanna Ghosh (SBN 272479)
Brian J. St. John (SBN 304112)
LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021

Attorneys for Plaintiff

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

THERESA PELEGRINO, individually, and
on behalf of other members of the general
public similarly situated,

Plaintiffs,

vs.

SACRAMENTO CHILDREN'S HOME, a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No.: 34-2022-00315912

Honorable Lauri A. Damrell
Department 22

CLASS ACTION

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

[Plaintiff's Motion for Preliminary
Approval of Class Action Settlement;
Declaration of Proposed Class
Representative (Theresa Pelegrino); and
[Proposed] Order filed concurrently
herewith]

Date: June 28, 2024
Time: 9:00 a.m.
Department: 22

Complaint Filed: February 23, 2022
Trial Date: None Set

DECLARATION OF BRIAN J. ST. JOHN

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

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

EXPERIENCE AND ADEQUACY OF LAWYERS *for* JUSTICE, PC

2. For over a decade, Lawyers *for* Justice, PC has almost exclusively focused on the prosecution of consumer and employment class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. Currently, the firm is the attorney of record in over a dozen employment-related putative class actions in both state and federal courts in the State of California. The firm is comprised of attorneys who focus on litigating complex wage-and-hour class and Private Attorneys General Act (“PAGA”) representative actions. Lawyers *for* Justice, PC has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. During a relatively short time, in association with other law firms, Lawyers *for* Justice, PC has recovered millions of dollars on behalf of thousands of individuals in California. Below is a summary of the experience and qualifications of the attorneys at Lawyers *for* Justice, PC who most recently and primarily have been responsible for the representation of Plaintiff in connection with the resolution of above-captioned matter. Additional attorney and non-attorney staff have also worked on the above-captioned matter.

3. Arby Aiwasian is a Member and Shareholder of Lawyers *for* Justice, PC. He received his Bachelor of Arts degree from University of California, Los Angeles and graduated magna cum laude. He earned a Juris Doctor degree, cum laude, from Southwestern Law School. From approximately May 2007 to approximately July 2007, he served as a Judicial Extern to the Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District. From approximately August 2008 to approximately December 2008 he served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the United State Court of Appeals

1 for the Ninth Circuit. He was admitted to practice law in California in 2010. He is admitted to
2 practice before all courts of the State of California and all United States District Courts in the State
3 of California. He has worked on many wage-and-hour class action and representative action cases,
4 taking the lead in taking and defending depositions, arguing motions, and attending mediations.
5 He has played an integral role in preparing matters for class certification, including and not limited
6 to, successful certification of a class in *Upson v. Sur La Table* (Los Angeles County Superior Court
7 Case No. BC424012), *Montazemi v. Regus Management* (Los Angeles County Superior Court
8 Case No. BC478769), and *Abdulhaqq v. Urban Outfitters* (Alameda County Superior Court Case
9 No. RG13680477). He has worked on over one hundred (100) class action or representative action
10 cases which have resulted in settlement, including and not limited to those listed in paragraph 7
11 herein.

12 4. Joanna Ghosh is a Senior Member of Lawyers for Justice, PC. She received a
13 Bachelor of Arts degree from California State University, Los Angeles in 2006, a Master of
14 Science degree from the London School of Economics in 2007, and a Juris Doctor degree from
15 Georgetown University Law Center in 2010. She is admitted to practice in California (since 2010)
16 and in New York (since 2013) and is also admitted to practice in all U.S. District Courts in
17 California, the U.S. Bankruptcy Court for the Central District of California, and the U.S. Supreme
18 Court. She has taken and defended dozens of depositions and successfully handled motion practice
19 in class action cases regarding discovery (including and not limited to, regarding class contact
20 information), class certification (both contested class certification and stipulated class
21 certification), arbitration agreements, coordination, intervention. She has successfully handled
22 briefing and oral argument on appeal and obtained notable decisions regarding the Private
23 Attorneys General Act and employer efforts to compel arbitration of PAGA claims, e.g., *Roberto*
24 *Betancourt v. Prudential Overall Supply* (Cal., May 24, 2017) 9 Cal.App.5th 439 (Cal. Ct. App.,
25 Mar. 7, 2017), cert. denied, cert. denied (U.S., Dec. 11, 2017) and *ZB, N.A. v. Superior Court*
26 (2019) 8 Cal.5th175. She also has extensive experience with class action and/or representative
27 action settlements. Under her, Edwin Aiwazian, and Arby Aiwazian's supervision, the firm has
28 handled the class certification and court approval process for hundreds of class action and/or

1 representative action matters that have successfully resolved. She is a member of the California
2 Employment Lawyers Association.

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

14 **EXAMPLES OF RESULTS IN WAGE-AND-HOUR CLASS ACTION AND**
15 **REPRESENTATIVE ACTION CASES**

16 6. What follows are just a few examples of the type of results Lawyers *for* Justice, PC
17 ("LFJ") has achieved on behalf of its clients:

18 a) LFJ, in association with co-counsel therein, represented the plaintiffs in a
19 wage-and-hour class action against a major property management company involving allegations
20 of misclassification of various "manager" positions. On September 20, 2010, the court granted
21 final approval of the class action settlement. The Los Angeles County Superior Court Case
22 Number is BC400414.

23 b) LFJ, in association with co-counsel therein, represented the plaintiffs in a
24 wage-and-hour class action against a national retailer of household items involving allegations of
25 misclassification of the "Assistant Store Manager" position. On October 28, 2010, the court
26 granted final approval of the class action settlement. The Los Angeles County Superior Court
27 Case Number is BC413498.

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1 c) LFJ, in association with co-counsel therein, represented the plaintiffs in a
2 wage-and-hour class action against a national property management company involving
3 allegations of misclassification of the “Property Manager” position. On May 23, 2012, the court
4 granted final approval of the class action settlement. The Los Angeles County Superior Court
5 Case Number is BC430918.

6 d) LFJ, in association with co-counsel therein, represented the plaintiffs in a
7 wage-and-hour class action against a national retailer involving allegations of misclassification of
8 the “Store Manager” position. On June 10, 2011, the court granted plaintiffs’ motion for class
9 certification. On August 26, 2013, the court granted final approval of the class action settlement.
10 The Los Angeles County Superior Court Case Number is BC424012.

11 e) LFJ, in association with co-counsel therein, represented the plaintiff in a
12 wage-and-hour class and PAGA representative action against a bank, involving allegations of
13 misclassification of the “Assistant Branch Manager” position. On August 27, 2013, the court
14 granted final approval of the class and PAGA representative action settlement. The Kern County
15 Superior Court Case Number is S-1500-CV-273194-LHB.

16 f) LFJ, in association with co-counsel therein, represented the plaintiff in a
17 wage-and-hour class and PAGA representative action against a national wholesale distributor of
18 plumbing and builder supplies, involving allegations of misclassification of multiple salaried
19 “manager” positions. On May 22, 2014, the court granted final approval of the class and PAGA
20 representative action settlement. The Sacramento County Superior Court Case Number is 34-
21 2012-00136285.

22 g) LFJ, in association with co-counsel therein, represented the plaintiff in a
23 wage-and-hour class action against a multinational corporation that provides global workplace
24 solutions, involving allegations of misclassification of the “Operations Manager” position. On
25 September 16, 2014, the court granted plaintiff’s motion for class certification. The Los Angeles
26 County Superior Court Case Number is BC478769.

27 h) LFJ, in association with co-counsel therein, represented the plaintiff in a
28 wage-and-hour class and PAGA representative action against a national retailer of household

1 items, on behalf of hourly-paid or non-exempt employees. On May 27, 2015, the court granted
2 final approval of the class and PAGA representative action settlement. The San Francisco County
3 Superior Court Case Number is CGC-13-532344.

4 i) LFJ, in association with co-counsel therein, represented the plaintiff in a
5 wage-and-hour class and PAGA action involving allegations of misclassification of the salaried
6 residential “Property Manager” position. On September 17, 2015, the court granted plaintiff’s
7 motion for class certification. On October 20, 2017, the court granted final approval of the class
8 and PAGA representative action settlement. The Los Angeles County Superior Court Case
9 Number is BC474784.

10 j) LFJ, in association with co-counsel therein, represented the plaintiffs in a
11 wage-and-hour class and PAGA representative action against a national retailer of upscale
12 hardware and home furnishings, on behalf of non-exempt employees. On April 28, 2016, the court
13 granted final approval of the class and PAGA representative action settlement. The Los Angeles
14 County Superior Court Case Numbers are BC516795 and JCCP4794, and the Judicial Council
15 Coordination Proceeding Number is 4794.

16 k) LFJ, in association with co-counsel therein, represented the plaintiffs in a
17 wage-and-hour class action against a national retailer of apparel and fashion accessories, on behalf
18 of non-exempt employees. On August 5, 2016, the court granted final approval of the class action
19 settlement. The Los Angeles County Superior Court Case Number is BC488069.

20 l) LFJ, in association with co-counsel therein, represented the plaintiffs in a
21 wage-and-hour class action against a national retailer of apparel, accessories, and home products,
22 involving allegations of misclassification of the “Department Manager” position. On August 12,
23 2016, the court granted the plaintiffs’ motion for class certification in part and certified a class. On
24 August 6, 2019, the court granted final approval of the class action settlement. The Alameda
25 County Superior Court Case Number is RG13680477.

26 m) LFJ represented the plaintiff in a PAGA representative action against a real
27 estate and property management company, on behalf of non-exempt employees. On November 4,
28 2016, the court granted approval of the PAGA representative action settlement. The Orange

County Superior Court Case Number is 30-2015-00775439-CU-OE-CXC.

n) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class and PAGA representative action against a full-service bank, on behalf of non-exempt employees. On November 18, 2016, the court granted final approval of the class and PAGA representative action settlement. The San Francisco County Superior Court Case Number is CJC-13-004839 and the Judicial Council Coordination Proceeding Number is 4839.

o) LFJ represented the plaintiffs in a wage-and-hour class and PAGA representative action against a foodservice distributor, on behalf of non-exempt employees. On January 26, 2017, the court granted final approval of the class and PAGA representative action settlement. The San Bernardino County Superior Court Case Number is CIVDS1507260.

p) LFJ, on behalf of the plaintiff and respondent in a PAGA representative action, successfully opposed in the trial court, and briefed and argued an appeal with respect to the employer's motion to compel arbitration, which resulted in a published opinion by the California Court of Appeal in favor of employees. *Roberto Betancourt v. Prudential Overall Supply* (Cal. App. 4th Dist., Mar. 7, 2017) 9 Cal.App.5th 439, review denied, cert. denied (U.S. Supreme Court Docket No. 17-254). The Riverside County Superior Court Case Numbers are RIC1503952 and RICJCCP5046, and the Judicial Council Coordination Proceeding Number is 5046.

q) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class and PAGA representative action against a consumer packaging company, on behalf of non-exempt employees. On March 10, 2017, the court granted final approval of the class and PAGA representative action settlement. The Los Angeles County Superior Court Case Number is BC590429.

r) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class and PAGA representative action against a manufacturer of food service industry supplies on behalf of non-exempt employees. On April 14, 2017, the court granted final approval of the class and PAGA representative action settlement. The Orange County Superior Court Case Number is 30-2015-00810013-CU-OE-CXC.

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1 s) LFJ in association with co-counsel, represented the plaintiffs in a wage-and-
2 hour class and PAGA representative action against a lumber and hardware company on behalf of
3 non-exempt employees. On April 26, 2017, the court granted final approval of the class and PAGA
4 representative action settlement. The Orange County Superior Court Case Number is 30-2014-
5 00747750-CU-OE-CXC.

6 t) LFJ represented the plaintiff in a wage-and-hour class and PAGA
7 representative action against a property management company, on behalf of non-exempt
8 employees. On June 14, 2017, the court granted final approval of the class and PAGA
9 representative action settlement. The Los Angeles County Superior Court Case Number is
10 BC586234.

11 u) LFJ represented the plaintiff in a wage-and-hour class and PAGA
12 representative action against a food company on behalf of non-exempt employees. On June 30,
13 2017, the court granted final approval of the class and PAGA representative action settlement. The
14 Sacramento County Superior Court Case Number is 34-2015-00175871.

15 v) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
16 representative action against a chocolate company on behalf of non-exempt employees. On July
17 19, 2017, the court granted final approval of the class and PAGA representative action settlement.
18 The Alameda County Superior Court Case Number is RG15764300.

19 w) LFJ firm represented the plaintiff in a PAGA representative action, against
20 the parent company of several restaurants, on behalf of hourly-paid, non-exempt employees. On
21 October 18, 2017, the court granted approval of the PAGA representative action settlement. The
22 Los Angeles County Superior Court Case Number is BC569664.

23 x) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
24 representative action against a manufacturer of plastic containers on behalf of non-exempt
25 employees. On October 31, 2017, the court granted final approval of the class and PAGA
26 representative action settlement. The Los Angeles County Superior Court Case Number is
27 BC577233.

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1 y) LFJ, in association with co-counsel therein, represented the plaintiffs in a
2 wage-and-hour class and PAGA representative action against a bank on behalf of non-exempt
3 employees. On December 11, 2017, the court granted final approval of the class and PAGA
4 representative action settlement. The Los Angeles County Superior Court Case Number is
5 BC569646.

6 z) LFJ, in association with co-counsel therein, represented the plaintiffs in a
7 wage-and-hour class and PAGA representative action against a property management company
8 on behalf of hourly-paid and non-exempt employees. On January 4, 2018, the court granted final
9 approval of the class and PAGA representative action settlement. The Los Angeles County
10 Superior Court Case Number is JCCP4819 and the Judicial Council Coordination Proceeding
11 Number is 4819.

12 aa) LFJ, in association with co-counsel therein, represented the plaintiffs in a
13 wage-and-hour class and PAGA representative action against a global provider of flexible office
14 space solutions. On February 15, 2018, the court granted final approval of the class and PAGA
15 representative action settlement. The Los Angeles County Superior Court Case Number is
16 BC498401.

17 bb) LFJ, in association with co-counsel therein, represents the plaintiff in a
18 wage-and-hour class action against a container manufacturer, on behalf of non-exempt employees.
19 On October 15, 2018, the court granted the plaintiff's motion for class certification. The Tulare
20 County Superior Court Case Number is VCU264528.

21 cc) LFJ represented the plaintiffs in a wage-and-hour class and PAGA
22 representative action against a behavioral health service provider on behalf of non-exempt
23 employees. On November 13, 2018, the court granted final approval of the class and PAGA
24 representative action settlement. The Alameda County Superior Court Case Number is
25 RG16811450.

26 dd) LFJ, in association with co-counsel therein, represented the plaintiff in a
27 PAGA representative action against a global provider of products and services to the energy
28 industry, on behalf of hourly-paid and non-exempt employees. On November 19, 2018, the court

1 granted approval of the PAGA representative action settlement. The Kern County Superior Court
2 Case Number is S-1500-CV-280215-SDC.

3 ee) LFJ, in association with co-counsel therein, represents the plaintiff in a
4 wage-and-hour class action against a parking company on behalf of non-exempt employees. On
5 September 3, 2019, the court granted the plaintiff's motion for class certification and certified a
6 class. The Santa Clara County Superior Court Case Number is 16CV292208 and the Judicial
7 Council Coordination Proceeding Number is 4886.

8 ff) LFJ, in association with co-counsel therein, represents the plaintiffs in a
9 wage-and-hour class and PAGA representative action against a bank on behalf of non-exempt
10 employees. On September 27, 2019, the court granted the plaintiffs' motion for class certification
11 in part and certified a class. The Alameda County Superior Court Case Number is RG15757606
12 and the Judicial Council Coordination Proceeding Number is 4921.

13 gg) LFJ, in association with co-counsel therein, represented the plaintiffs in a
14 wage-and-hour class and PAGA representative action against a national retailer of apparel and
15 fashion accessories, on behalf of non-exempt employees. On October 9, 2019, the court granted
16 the plaintiffs' motion for class certification in part and certified a class. On May 14, 2021, the
17 court granted final approval of the class and PAGA representative action settlement. The
18 Sacramento County Superior Court Case Number is 34-2015-00175330-CU-OE-GDS.

19 hh) LFJ, in association with co-counsel therein, on behalf of the plaintiff and
20 respondent in a PAGA representative action, successfully opposed in the trial court, and briefed
21 and argued an appeal with respect to the employer's motion to compel arbitration, resulting in a
22 notable decision from the California Supreme Court clarifying the law regarding PAGA claims,
23 *ZB, N.A. v. Superior Court* (2019) 8 Cal.5th 175. On February 21, 2020, the court granted approval
24 of the PAGA representative action settlement. The San Diego County Superior Court Case
25 Number is 37-2016-00005578-CU-OE-CTL.

26 ii) LFJ, in association with co-counsel therein, represents the plaintiff in a
27 wage-and-hour class and PAGA representative action against a medical equipment supplier on
28 behalf of non-exempt employees. On February 13, 2020, the court granted the plaintiff's motion

1 for class certification and certified a class. The San Bernardino County Superior Court Case
2 Number is CIVDS1505744.

3 jj) LFJ, in association with co-counsel therein, represented the plaintiff in a
4 wage-and-hour class and PAGA representative action against a large national drug testing
5 laboratory on behalf of non-exempt employees. On February 21, 2020, the court granted the
6 plaintiff's motion for class certification and certified a class. On October 28, 2022, the court
7 granted final approval of the class and PAGA representative action settlement. The San Diego
8 County Superior Court Case Number is 37-2018-00019611-CU-OE-CTL.

9 kk) LFJ, in association with co-counsel therein, represents the plaintiffs in a
10 wage-and-hour class and PAGA representative action against a national retailer of sportswear,
11 footwear, and camping equipment on behalf of non-exempt employees. On March 16, 2020, the
12 court granted in part the plaintiff's motion for class certification and certified a class. The
13 Riverside County Superior Court Case Numbers are RIC1507504 and RICJCCP4930, and the
14 Judicial Council Coordination Proceeding Number is 4930.

15 ll) LFJ, in association with co-counsel therein, represented the plaintiffs in a
16 wage-and-hour class action against manufacturer and supplier of power products and services on
17 behalf of non-exempt employees. On July 31, 2020, the court granted in part the plaintiffs' motion
18 for class certification and certified a class. On August 27, 2021, the court granted final approval
19 of the class action settlement. The San Diego County Superior Court Case Number is 37-2015-
20 00025968-CU-OE-CTL.

21 mm) LFJ represents the plaintiff in a wage-and-hour class action against a
22 nutritional products manufacturer on behalf of non-exempt production line employees. On
23 December 13, 2021, the court granted the plaintiff's motion for class certification in part and
24 certified a class. The Solano County Superior Court Case Number is FCS051001.

25 nn) LFJ represents the plaintiffs in a wage-and-hour class action against a
26 manufacturer and distributor of commercial dish and glass cleaning machines and supplies for the
27 restaurant and hospitality industries, on behalf of hourly-paid or non-exempt employees. On July
28 13, 2023, the court granted the plaintiffs' motion for class certification and certified a class. The

Los Angeles County Superior Court Case Number is BC707670.

oo) LFJ, in association with co-counsel therein, represented the plaintiffs in a wage-and-hour class and PAGA representative action against a plastic packaging company on behalf of non-exempt employees. On June 8, 2020, the court granted in part the plaintiffs' motion for class certification and certified a class. On November 8, 2021, the court granted approval of the partial settlement of the action. On April 22, 2024, the court granted approval of the PAGA settlement and entered an order dismissing the action. The San Bernardino County Superior Court Case Number is CIVDS1507361.

BASIC INFORMATION ABOUT THE CASE AND REACHING THE SETTLEMENT

7. Marked and attached hereto as "**EXHIBIT A**" is the Joint Stipulation of Class Action and PAGA Settlement Agreement and Release Between Plaintiff and Defendant ("Settlement," "Agreement," or "Settlement Agreement") entered into by and between Plaintiff Theresa Pelegriño ("Plaintiff"), individually and on behalf of all others similarly situated and other aggrieved employees, on the one hand, and Defendant Sacramento Children's Home ("Defendant"), on the other hand (collectively, the "Parties"). The Parties and their counsel have approved the proposed Notice of Class Action Settlement and Hearing Date for Final Court Approval ("Class and PAGA Notice"), which is attached to the Settlement Agreement as "Exhibit 1" and respectfully request that the Court approve it as well. The Parties have also agreed to the form and content of the proposed First Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, Cal. Labor Code § 2698, Et Seq. ("First Amended Complaint" or "Operative Complaint"), which is attached as "Exhibit A" to the [Proposed] Order Granting Approval of Class Action Settlement, filed concurrently herewith. Class Counsel respectfully requests the Court grant leave to file the First Amended Complaint so that the terms of the Settlement Agreement and the intent of the Parties may be effectuated

8. Based on information provided by Defendant, as of May 24, 2024, the Class is estimated to consist of approximately six hundred fifty-seven (657) individuals who worked 57,997 Workweeks during the Class Period and four hundred forty-nine PAGA Members who worked 15,544 PAGA Pay Periods during the PAGA Period.

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

9 10. On February 2, 2024, Plaintiff provided written notice to the California Labor and
10 Workforce Development Agency (“LWDA”) by online submission and to Defendant by Certified
11 Mail, of the specific provisions of the California Labor Code that Defendant are alleged to have
12 violated. A true and correct copy of the notice is attached hereto as “**EXHIBIT B.**” This
13 declaration, along with the fully executed Settlement Agreement that is attached as an exhibit, is
14 being submitted to the LWDA in conformity with California Labor Code section 2699(l)(2),
15 concurrently with the filing of this declaration with the Court. The Court is referred to the attached
16 Proof of Service, which confirms submission of this declaration and its exhibits (which includes,
17 *inter alia*, the Settlement Agreement) to the LWDA.

18 11. Since the above-captioned action was commenced, Class Counsel has litigated the
19 case for several years and was actively preparing the matter for class certification and trial. The
20 Parties have engaged in extensive settlement negotiations. Prior to and during the settlement
21 discussions, the Parties exchanged extensive class information and engaged in intensive
22 discussions regarding their evaluations of the cases and various aspects of the cases, including but
23 not limited to, the risks and delays of further litigation, the risks to the Parties of proceeding with
24 class certification and/or representative adjudication, the law relating to off-the-clock theory, meal
25 and rest periods, PAGA representative actions, and wage-and-hour law and enforcement, as well
26 as the evidence produced and analyzed, and the possibility of appeals, among other things. During
27 all settlement discussions, the Parties conducted their negotiations at arm’s length in an adversarial
28 position. Arriving at a settlement that was acceptable to all Parties was not easy. Defendant and

1 their counsel felt strongly about their ability to prevail on the merits and at certification, and
2 Plaintiff and Class Counsel believed that they would be able to obtain class certification and
3 prevail at trial. After conducting investigations, informal discovery, exchange of information, and
4 settlement negotiations, the Parties have agreed that the matter is well-suited for settlement given
5 the legal issues relating to Plaintiff's principal claims, as well as the costs and risks to both sides
6 that would attend further litigation. The Settlement is a fair, reasonable, and adequate resolution
7 of Plaintiff's and the Settlement Class Members' Released Class Claims, and of the State of
8 California's and PAGA Members' Released PAGA Claims with respect to employment of
9 Plaintiff and PAGA Members.

10 12. Prior to reaching the Settlement, Class Counsel investigated the veracity, strength,
11 and scope of the claims, and were preparing the actions for class certification and trial. Class
12 Counsel conducted significant investigation and informal discovery regarding the facts of the
13 cases, including and not limited to, the exchange, review, and analysis of a large volume of
14 information, documents, and data obtained from Defendant, Plaintiff, and other sources. The
15 volume of data and documents that Class Counsel reviewed and analyzed included and was not
16 limited to: Plaintiff's employment records, a detailed sampling of Plaintiff's and other Class
17 Members' time data and pay records, Defendant's Employee Handbook, Defendant's operations
18 and employment practices, forms, procedures, and policies, among other information and
19 documents. Class Counsel had the opportunity to interview Plaintiff and other Class Members to
20 gather information regarding the facts and circumstances surrounding Plaintiff's and putative class
21 members' employment and to identify potential witnesses. Counsel for the Parties met and
22 conferred on numerous occasions, e.g., to discuss issues relating to the pleadings, informal
23 discovery, and the production of documents and data prior to the settlement discussions. Class
24 Counsel prepared for and attended court proceedings and settlement negotiations, among other
25 tasks.

26 13. Counsel for the Parties have also invested time researching and investigating the
27 applicable law, which is constantly evolving as it relates to certification, representative PAGA
28 claims, off-the-clock theory, meal and rest periods, wage-and-hour law and enforcement,

1 Plaintiff's claims and damages, and Defendant's defenses thereto, as well as facts discovered.
2 Based on Class Counsel's analysis, the result achieved in this litigation is fair, adequate, and
3 reasonable.

4 14. The Settlement provides for a Maximum Settlement Amount of One Million Two
5 Hundred Fifty Thousand Dollars and Zero Cents (\$1,250,000.00) on a non-reversionary basis. The
6 Net Settlement Amount is the Maximum Settlement Amount less the following amounts subject
7 to approval by the Court: Attorneys' Fees, Litigation Costs, Enhancement Award, Settlement
8 Administration Expenses, and the Allocation for penalties under PAGA. Assuming that the
9 amounts allocated under the Settlement toward these payments are awarded by the Court, the Net
10 Settlement Amount that will be available for distribution to the Settlement Class Members is
11 currently estimated to be Six Hundred Forty-Two Thousand Five Hundred Dollars and Zero Cents
12 (\$642,500.00), with an estimated average Settlement Share of \$977.92 per Class Member.
13 Additionally, 75% of the allocation for penalties under PAGA, which is \$75,000.00 out of
14 \$100,000.00, will be distributed to the LWDA and 25% of the allocation for penalties under
15 PAGA, which is \$25,000.00 out of \$100,000.00, will be distributed to PAGA Members on a *pro-*
16 *rata* basis, with an estimated average PAGA Share of \$55.68 per PAGA Member. The Net
17 Settlement Amount and allocation for penalties under PAGA will be fully distributed in
18 accordance with the terms of the Settlement and there is no reversion to Defendant.

19 15. The Parties have agreed to retain Phoenix Settlement Administrators ("Phoenix" or
20 "Settlement Administrator") to handle the notice and settlement administration process. The
21 Parties respectfully request that the Court appoint Phoenix to handle these procedures and serve
22 as the Settlement Administrator. Defendant will provide the Settlement Administrator with a list
23 of Class Members that Defendant will compile from its records, which will include each the Class
24 Members' and PAGA Members' names, last known addresses, last known telephone numbers,
25 Social Security Numbers, and workweek data during the Class Period and pay period data during
26 the PAGA Period. The Settlement Administrator will calculate each Settlement Class Member's
27 estimated *pro-rata* share of the Net Settlement Amount ("Settlement Award") and each PAGA
28 Member's estimated *pro-rata* share of the twenty-five percent (25%) portion of the allocation for

penalties under PAGA (“PAGA Share”). The Settlement Administrator will also receive Requests for Exclusion from the Settlement, objections to the Settlement, and disputes regarding Workweeks and/or PAGA Pay Periods; provide necessary reports and declarations; calculate, subtract, and transmit necessary taxes and withholdings; prepare and submit informational and other tax filings and documents; issue and transmit all payments provided for by the Settlement, including and not limited to, mailing payments to the Settlement Class Members and PAGA Members; and perform any other usual and customary duties for administering a class action settlement. On a weekly basis, the Settlement Administrator will provide reports to Class Counsel and Defense Counsel with summary information as to the number of valid and timely Requests for Exclusion and complete and timely Objections received. The Settlement Administrator will provide Class Counsel with proof of mailing of the Class and PAGA Notice, without listing individual Class Member names or contact information, which the Settlement Administrator will file with the Court at the time Class Counsel files its motion for final approval of the Settlement. Class Counsel represent that they do not, nor does Plaintiff, have any interest or relationship, financial or otherwise, with the Settlement Administrator other than a professional relationship arising out of prior experiences administering settlements.

16. Based on investigation and information discovered, Class Counsel believe that there is sufficient evidence to support the allegations made in the lawsuits, including the allegations that Defendant, with respect to Plaintiff and the putative class members and aggrieved employees, *inter alia*, failed to properly pay overtime and minimum wages and associated premium pay, failed to provide compliant meal and rest periods and to pay associated premium pay, failed to timely pay wages during employment and upon termination of employment, failed to provide compliant wage statements, failed to maintain requisite payroll records, and failed to reimburse necessary business expenses, and thereby engaged in unfair business practices and conduct giving rise to penalties recoverable under the Private Attorneys General Act of 2004 (California Labor Code sections 2698, et seq.). Plaintiff also asserted that she and other putative class members and aggrieved employees were expected to perform similar job duties and were subject to the same or similar operations and employment policies, practices, and procedures. Additionally, Plaintiff asserted

1 that Defendant's recordkeeping practices with respect to Plaintiff and putative class members and
2 aggrieved employees were substantially the same during the time period at issue. As a result of
3 said alleged uniform practices, Plaintiff claims that they and putative class members and aggrieved
4 employees were uniformly not paid all of the compensation that was owed to them by Defendant.
5 Thus, in Class Counsel's view, it is clear that the outcome of this litigation would be determined
6 by Defendant's uniform operations and employment practices, policies, and procedures that
7 Plaintiff alleges applied across their hourly-paid or non-exempt employees in California during
8 the relevant time period.

9 17. Class Counsel are aware of the defenses and position of Defendant, but believe that
10 Plaintiff could potentially obtain class certification despite many obstacles. Class Counsel have
11 also taken into account the uncertainty and risk of the outcome of further litigation, and the
12 difficulties and delays inherent in such litigation, including those involved in class certification
13 and/or representative adjudication. Class Counsel further recognizes the burdens of proof
14 necessary to establish liability for the claims asserted in the lawsuits, Defendant's defenses, and
15 the difficulties in establishing entitlement to monetary recovery. Class Counsel have also
16 considered the Parties' settlement discussions.

17 18. Defendant, on the other hand, denied and continues to deny any liability and
18 wrongdoing of any kind associated with the claims alleged in the lawsuits, and further deny that
19 the lawsuits are appropriate for class treatment or representative adjudication for any purpose other
20 than this Settlement. Defendant believes that they would ultimately succeed in the matter. Both
21 sides have also had the opportunity to conduct investigations and gather documents and
22 information relating to Plaintiff's, Class Members' and PAGA Members' employment with
23 Defendant, and Defendant's operations and employment policies, practices, and procedures.
24 Counsel for the Parties also reviewed and analyzed a volume of documents and data, including but
25 not limited to a detailed sampling of Class Members' and PAGA Members' time and pay
26 information, to determine the potential value and strength of the claims. The available information
27 enabled Class Counsel to assess and value the class and PAGA claims and prepare violation,
28 damages, and penalties analyses and models. Accordingly, counsel for the Parties have conducted

adequate investigation to be sufficiently informed of the nature and extent of the class and PAGA claims, and to enable both sides to fully evaluate the Settlement for its fairness, adequacy, and reasonableness. The Settlement takes into account the strengths and weaknesses of each side's position and the uncertainty of how the cases might have concluded at certification, trial, and/or appeals.

19. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees in an amount of up to thirty-eight percent (38%) of the Maximum Settlement Amount (i.e., \$475,000.00) and expenses and costs in an amount not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00), which will be paid out of the Maximum Settlement Amount, subject to approval by the Court. It should be noted that Class Counsel have borne all of the risks and costs of litigation and will not receive any compensation until recovery is obtained. To date, Lawyers *for* Justice, PC has incurred an estimated \$2,247.04 in litigation costs and expenses incurred in the case, as reflected in "EXHIBIT C" attached hereto

20. The Settlement Agreement provides for payment of up to Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) to Plaintiff as Enhancement Award, to be paid out of the Maximum Settlement Amount subject to approval by the Court. Plaintiff spent considerable time and effort to produce relevant documents and past employment records and to provide the facts and evidence necessary to attempt to prove the allegations. Plaintiff was available whenever Class Counsel needed her and actively tried to obtain information that would facilitate the pursuit of the matter. Accordingly, it is appropriate and just for Plaintiff to receive an Enhancement Award, in addition to an individual settlement payment, for services performed in the matter on behalf of the Class, PAGA Members, and the State of California.

ESTIMATE OF THE VALUE OF THE CLAIM(S)

21. Plaintiff's action alleges that Defendant has violated the California Labor Code by engaging in a uniform practice and procedure, with respect to Plaintiffs and the Settlement Class Members, of, inter alia, failing to pay all overtime and minimum wages, failing to provide compliant meal and rest periods and associated premium pay, failing to timely pay wages during employment and upon termination of employment, failing to provide compliant wage statements,

1 failing to maintain requisite payroll records, and failing to reimburse necessary business expenses,
2 and thereby engaged in unfair business practices in violation of California Business and
3 Professions Code section 17200, et seq. and conduct that gives rise to penalties pursuant to PAGA.

4 22. Based on data provided by Defendant, the total number of putative class members
5 during the period from February 23, 2018 to May 24, 2024 (“relevant time period”) was estimated
6 to be approximately six hundred fifty-seven (657) individuals who worked a total of 57,997
7 workweeks with an average hourly rate of pay of \$23.21.

8 23. Plaintiff contended that Defendant required putative class members to perform work
9 before clocking-in and after clocking-out of their scheduled shifts and during meal and rest
10 periods. Plaintiff contended that Defendant discouraged the recordation of overtime hours and
11 required putative class members to perform work off-the-clock. Plaintiff contended that
12 Defendant failed to include non-discretionary bonuses and incentives in the calculation of the
13 regular rate when paying overtime wages. Plaintiff also contended that meal and rest periods were
14 regularly missed, later, shortened, and/or interrupted, that putative class members were required
15 to remain on premises during rest breaks, readily available to perform work, answer questions
16 from both supervisors and coworkers, and attend off-the-clock meetings, and that Defendant failed
17 to properly pay premiums for all non-compliant meal and rest periods. Additionally, Plaintiff
18 alleged that Defendant intentionally and willfully failed to pay Plaintiff and putative class
19 members all wages due to them while they were employed by Defendant, within the time period
20 permissible under California law, and that Defendant failed to pay all wages due upon termination,
21 within the time period permissible under California law, thereby triggering waiting-time penalties
22 under California Labor Code section 203. Plaintiff contended that, based on the violations
23 described herein, the wage statements provided by Defendant and the payroll records kept by
24 Defendant were inaccurate. Finally, Plaintiff contended that Defendant failed to reimburse
25 Plaintiff and the other putative class members for necessary business expenses, including, but not
26 limited to, the costs associated with the use of personal cell phones and purchasing and/or
27 maintaining work attire necessary to perform their work duties.

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

18 25. Class Counsel considered information obtained through investigations and from
19 Plaintiff, as well as class data and information obtained from Defendant and other sources, and
20 created violation, damages, and penalties valuations and models prior to reaching the Settlement.
21 Based thereon, Plaintiff calculated the potential value of the claims. However, the potential value
22 of each claim assumed an exposure based on the case having been certified and Plaintiff having
23 proven all elements of the claims and entitlement to monetary recovery, despite risks associated
24 with obtaining and maintaining certification, demonstrating manageability, and establishing
25 liability and any underlying California Labor Code violations and damages, and significant
26 additional costs that would have to be incurred in order to certify the case and establish liability
27 and damages. Plaintiff also faced the risk of the Court finding that individualized issues
28 predominate, such that the action is not suitable for class treatment and representative adjudication.

1 While Class Counsel disagreed with defense arguments and factual contentions, Plaintiff's
2 recognized the circumstances and realities of the case, applicable case law and regulations, the
3 costs and expenses of further litigation and certification, and risks to recovery, and applied
4 appropriate discounts for them. Class Counsel calculated the potential and realistic values of the
5 claim(s) as follows:

- 6 a. Failure to Pay Overtime Wages: The potential value of this claim was
7 estimated to be \$4,038,911.08 (57,997 workweeks x 2 hours of unpaid
8 overtime wages x overtime hourly rate of \$34.82, which is based on the
9 average hourly rate of \$23.21). At this juncture, a discount of 40% was
10 applied to account for the risks associated with obtaining and maintaining
11 class certification (bringing the value of this claim closer to \$2,423,346.65),
12 a discount of 65% was applied to account for the risks associated with
13 succeeding on the merits and establishing liability (bringing the value of this
14 claim closer to \$848,171.33), and a discount of 70% was applied to account
15 for the risks associated with proving the extent of damages and obtaining an
16 award thereof (bringing the value of this claim closer to \$254,451.40).
- 17 b. Failure to Pay Minimum Wages: The potential value of this claim was
18 estimated to be \$1,346,110.37 (57,997 workweeks x 1 hour of unpaid
19 minimum wages x average hourly rate of \$23.21). At this juncture, a
20 discount of 40% was applied to account for the risks associated with
21 obtaining and maintaining class certification (bringing the value of this claim
22 closer to \$1,346,110.37), a discount of 70% was applied to account for the
23 risks associated with succeeding on the merits and establishing liability
24 (bringing the value of this claim closer to \$403,833.11), and a discount of
25 80% was applied to account for the risks associated with proving the extent
26 of damages and obtaining an award thereof (bringing the value of this claim
27 closer to \$80,766.62).

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- 1 c. Failure to Provide Compliant Meal Periods and Associated Premiums: The
2 potential value of this claim was estimated to be \$2,692,220.74 (57,997
3 workweeks x 2 meal period premium x average hourly rate of \$23.21). At
4 this juncture, a discount of 50% was applied to account for the risks
5 associated with obtaining and maintaining class certification (bringing the
6 value of this claim closer to \$1,346,110.37), a discount of 70% was applied
7 to account for the risks associated with succeeding on the merits and
8 establishing liability (bringing the value of this claim closer to \$403,833.11),
9 and a discount of 80% was applied to account for the risks associated with
10 proving the extent of damages and obtaining an award thereof (bringing the
11 value of this claim closer to \$80,766.62).
- 12 d. Failure to Provide Compliant Rest Periods and Associated Premiums: The
13 potential value of this claim was estimated to be \$1,346,110.37 (57,997
14 workweeks x 1 rest period premium x average hourly rate of \$23.21). At
15 this juncture, a discount of 50% was applied to account for the risks
16 associated with obtaining and maintaining class certification (bringing the
17 value of this claim closer to \$673,055.19), a discount of 70% was applied to
18 account for the risks associated with succeeding on the merits and
19 establishing liability (bringing the value of this claim closer to \$201,916.56),
20 and a discount of 80% was applied to account for the risks associated with
21 proving the extent of damages and obtaining an award thereof (bringing the
22 value of this claim closer to \$40,383.31).
- 23 e. Failure to Timely Pay Wages During Employment: The value of this claim
24 is considered as a part of the valuation of the PAGA claim contained *infra*.
- 25 f. Failure to Timely Pay Wages After Termination (and Waiting-Time
26 Penalties): Based on information and data provided by Defendant, it was
27 estimated that approximately three hundred seventy-five (375) putative class
28 members had been terminated during the three-year statute of limitations

(i.e., from February 23, 2019). Assuming that these individuals were not timely paid all wages due to them upon termination, the potential value of waiting-time penalties was estimated to be \$2,088,900.00 collectively (375 individuals x [30 days x hourly rate of \$23.21 x 8 hours]), or approximately \$5,570.40 per individual. At this juncture, a discount of 50% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$1,044,450.00), a discount of 70% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$313,335.00), and a discount of 80% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$62,667.00).

g. Failure to Provide Compliant Wage Statements: The potential value of this claim was calculated to be \$1,531,950.00 ([449 initial violations x \$50 statutory penalty] + [15,095 subsequent violations x \$100 statutory penalty]). At this juncture, a discount of 50% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$765,975.00), a discount of 70% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$229,792.50), and a discount of 80% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$45,958.50).

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

i. Failure to Reimburse Necessary Business Expenses: The potential value of this claim was estimated to be \$231,988.00 (57,997 workweeks x \$4

unreimbursed business expenses). At this juncture, a discount of 50% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to \$115,994.00), a discount of 70% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$34,798.20), and a discount of 80% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$6,959.64).

- j. PAGA Penalties: The amount of civil penalties at issue, which the Court could determine whether or not to assess and whether or not to reduce based on the facts and circumstances of the case (to avoid an award that is unjust, arbitrary and oppressive, or confiscatory, pursuant to California Labor Code section 2699(e)(2)), were estimated to be approximately \$826,000.00 (449 aggrieved employees estimated to have worked during one-year statutory period x \$1,700.00 civil penalties). At this juncture, a discount of 65% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$267,155.00), and a discount of 70% was applied to account for the risks associated with the Court's discretion to reduce civil penalties and obtaining an award of civil penalties (bringing the value of this claim closer to \$80,146.50).

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

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

9 Executed on this 5th day of June 2024, at Glendale, California.

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11 _____
12 Brian J. St. John
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EXHIBIT A

1 ARBY AIWAZIAN (SBN 269827)
arby@calljustice.com
2 JOANNA GHOSH (SBN 272479)
joanna@calljustice.com
3 BRIAN J. ST. JOHN (SBN 304112)
brian@calljustice.com
4 LAWYERS for JUSTICE, P.C.
410 West Arden Avenue, Suite 203
5 Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021
6

Attorneys for Plaintiff
7 THERESA PELEGRINO, individually, and
on behalf of other members of the general public
8 similarly situated

9 JACKSON LEWIS P.C.
CARY G. PALMER (SBN 186601)
cary.palmer@jacksonlewis.com
10 ERIKA M. BARBARA (SBN 215702)
erika.barbara@jacksonlewis.com
11 400 Capitol Mall, Suite 1600
12 Sacramento, CA 95814
Tel: (916) 341-0404, Fax: (916) 341-0141
13

Attorneys for Defendant
14 SACRAMENTO CHILDREN'S HOME
15

16 SUPERIOR COURT OF CALIFORNIA
17 COUNTY OF SACRAMENTO
18

19 THERESA PELEGRINO, individually, and
on behalf of other members of the general public
20 similarly situated,

21 Plaintiff,

22 vs.

23 SACRAMENTO CHILDREN'S HOME,
a California corporation; and DOES 1
24 through 100, inclusive,

25 Defendants.
26

Case No. 34-2022-00315912

**JOINT STIPULATION OF CLASS
ACTION AND PAGA SETTLEMENT
AND RELEASE BETWEEN PLAINTIFF
AND DEFENDANT**

27 This Joint Stipulation of Class Action and PAGA Settlement and Release (hereinafter
28 "Stipulation of Settlement") is made and entered into by and between Plaintiff Theresa Pelegrino,

1 as an individual and on behalf of all similarly situated and aggrieved employees (“Plaintiff”), and
2 Sacramento Children’s Home (“Defendant”).

3 This Stipulation of Settlement shall be binding on Plaintiff and those persons Plaintiff seeks
4 to represent, and on: (i) Defendant; (ii) each of Defendant’s respective past, present and future
5 parents, subsidiaries, and affiliates including, without limitation, any corporation, limited liability
6 company, or partnership; (iii) the past, present and future board members, directors, officers,
7 agents, employees, attorneys, insurers, members, partners, managers, contractors, agents,
8 consultants, representatives, administrators, fiduciaries, benefit plans, transferees, predecessors,
9 successors, and assigns of any of the foregoing; and (iv) any individual or entity which could be
10 jointly liable with any of the foregoing, including, but not limited to, temporary agencies. The
11 Settlement contemplated by this Stipulation of Settlement may hereinafter be referred to as the
12 “Settlement.”

13 THE PARTIES STIPULATE AND AGREE as follows:

14 1. Plaintiff and Defendant are collectively referred to herein as “the Parties.”

15 2. On February 23, 2022, Plaintiff filed a class action complaint, individually and on
16 behalf of other similarly situated, in the Sacramento County Superior Court alleging claims of
17 failure to pay overtime wages pursuant to Labor Code sections 510 and 1198, failure to provide
18 meal and rest periods pursuant to Labor Code sections 226.7 and 512(a), failure to pay minimum
19 wages pursuant to Labor Code sections 1194, 1197, and 1197.1, failure to timely pay wages
20 pursuant to Labor Code sections 201, 202, and 204, violation of Labor Code sections 226(a),
21 1174(d), 2800, and 2802, and violation of Business and Professions Code section 17200, against
22 Defendant under Case No. 34-2022-00315912.

23 3. On February 2, 2024, Plaintiff sent a letter to the Labor and Workplace
24 Development Agency (“LWDA”) alleging violations of the Private Attorneys General Act
25 (“PAGA”) for the “Released PAGA Claims,” as defined below.

26 4. Plaintiff will file a first amended complaint in Sacramento County Superior Court,
27 that will be mutually agreed upon by the Parties and that includes a cause of action for penalties
28 under PAGA. The first amended complaint is intended to include and to release all “Released Class

1 Claims” and “Released PAGA Claims,” as those terms are defined below. The term “Action”
2 means this putative class and representative action pending in Sacramento County Superior Court.
3 The “Class Period” is from February 23, 2018, through the date the Court preliminarily approves
4 of the Settlement, and the “PAGA Period” is from February 23, 2021, through the date the Court
5 preliminarily approves the Settlement.

6 5. This Action has been actively litigated. There have been on-going investigations,
7 there has been an exchange of extensive documentation and information, and the Parties have
8 participated in extensive private settlement negotiations. Plaintiff has not filed a motion for class
9 certification in this Action, nor has a date been set by the Court for the filing of such a motion.

10 6. For purposes of this Settlement, the “Settlement Class” or “Class Members” shall
11 consist of all persons employed by Defendant in California as a non-exempt employee from
12 February 23, 2018 through preliminary approval of the Settlement. The Settlement Class,
13 however, shall not include any person who previously settled or released any of the claims covered
14 by this Settlement, any person who previously was paid or received awards through civil or
15 administrative actions for the claims covered by this Settlement, or any person who submits
16 a timely and valid Request for Exclusion as provided in this Settlement. All Class Members who
17 worked any hours for Defendant in California during any pay period from February 23, 2021
18 through the date the Court preliminarily approves the Settlement are aggrieved employees with
19 respect to PAGA (“PAGA Members”) and will be paid their PAGA Share and release the
20 “Released PAGA Claims,” regardless of whether they submit a timely and valid Request for
21 Exclusion from the Settlement. PAGA Members are not eligible to exclude themselves from, or to
22 opt out of, the Released PAGA Claims.

23 7. Solely for purpose of settling this case, the Parties stipulate and agree that the
24 requisites for establishing class certification with respect to the Settlement Class have been met
25 and are met. More specifically, the Parties stipulate and agree that:

26 a. The Settlement Class is ascertainable and so numerous as to make it
27 impracticable for join all Class Members.

28 b. There are common questions of law and fact, including but not limited to

1 the following:

2 i. Whether Defendant complied with applicable laws affecting
3 Plaintiff and the Settlement Class under the California Labor Code and the Wage Orders of the
4 California Industrial Welfare Commission; and

5 ii. Whether Plaintiff and the Settlement Class are entitled to alleged
6 unpaid wages, penalties, interest, and attorneys' fees and costs.

7 c. Plaintiff believes that Plaintiff's claims are typical of the claims of the
8 members of the Settlement Class.

9 d. Plaintiff believes that Plaintiff Theresa Pelegrino will fairly and adequately
10 protect the interests of the Settlement Class, and that Arby Aiwasian, Joanna Ghosh, and Brian J.
11 St. John of Lawyers *for* Justice, PC, should be "Class Counsel" and will fairly and adequately
12 protect the interests of the Settlement Class.

13 e. The prosecution of separate actions by individual members of the
14 Settlement Class would create the risk of inconsistent or varying adjudications, which would
15 establish incompatible standards of conduct.

16 f. With respect to the Settlement Class, Plaintiff believes that questions of law
17 and fact common to the members of the Settlement Class predominate over any questions affecting
18 any individual member in such Class, and a class action is superior to other available means for
19 the fair and efficient adjudication of the controversy.

20 9. Defendant denies any liability or wrongdoing of any kind whatsoever associated
21 with the claims alleged in the Complaint, and further denies that, for any purpose other than settling
22 this Action, this Action is appropriate for class or representative treatment. With respect to
23 Plaintiff's claims, Defendant contends, among other things, that it has complied with all applicable
24 state, federal and local laws affecting Plaintiff and the Settlement Class.

25 10. It is the desire of the Parties to fully, finally and forever settle, compromise and
26 discharge all disputes and claims arising from the allegations and causes of action stated in the
27 Complaint. To achieve a full and complete release of Defendant, each Class Member
28 acknowledges that this Stipulation of Settlement is intended to include in its effect all claims of

1 any nature reasonably arising out of the allegations made in the Complaint.

2 11. It is the intention of the Parties that this Stipulation of Settlement shall constitute
3 a full and complete settlement and release of all claims arising from the allegations in the
4 Complaint against: (i) Defendant; (ii) each of Defendant's respective past, present and future
5 parents, subsidiaries, and affiliates including, without limitation, any corporation, limited liability
6 company, or partnership; (iii) the past, present and future board members, directors, officers,
7 agents, employees, attorneys, insurers, members, partners, managers, contractors, agents,
8 consultants, representatives, administrators, fiduciaries, benefit plans, transferees, predecessors,
9 successors, and assigns of any of the foregoing; and (iv) any individual or entity which could be
10 jointly liable with any of the foregoing, including, but not limited to, temporary agencies
11 (collectively "Released Parties").

12 12. Counsel for the Settlement Class have conducted a thorough investigation into the
13 facts of this Action and have diligently pursued an investigation of Class Members' claims against
14 Defendant. Based on their own independent investigation and evaluation, Class Counsel are of
15 the opinion that the Settlement with Defendant for the consideration and on the terms set forth in
16 this Stipulation of Settlement is fair, reasonable, and adequate and is in the best interest of the
17 Settlement Class in light of all known facts and circumstances, including the risk of significant
18 delay, the risk the Settlement Class will not be certified by the Court, defenses asserted by
19 Defendant, and numerous potential appellate issues. Defendant and Defendant's Counsel also
20 agree that the Settlement is fair and in the best interest of the Parties.

21 13. The Parties agree to cooperate and take all steps necessary and appropriate to
22 consummate this Settlement and for entry of judgment in accordance with this Stipulation of
23 Settlement.

24 14. This Settlement provides that Defendant will pay Settlement Awards and PAGA
25 Shares (defined below) according to a specified formula to each Settlement Class Member who
26 does not request to be excluded from this Settlement. The total payment under the Settlement is
27 \$1,250,000.00, which includes all payments to Class Members, PAGA Members, Class Counsel's
28 Attorneys' Fees (defined below), Class Counsel's Litigation Costs (defined below), the

1 Enhancement Award to the class representative (defined below), penalties of any nature, including
2 PAGA penalties, and Settlement Administration Expenses (defined below). It is understood and
3 agreed that Defendant shall have no obligation to pay any person, entity or organization more than
4 the amount of its maximum total liability under the Settlement, except that Defendant will
5 separately pay the employer payroll taxes for the wage portion of the Settlement Awards
6 (“Employer Taxes”).

7 TERMS OF SETTLEMENT

8 15. NOW THEREFORE, in consideration of the mutual covenants, promises and
9 agreements set forth herein, the Parties agree, subject to the Court’s approval, as follows:

10 a. It is agreed by and among Plaintiff and Defendant that this Action and any
11 claims, damages or causes of action arising out of the Complaint which are the subject of this
12 Action, be settled and compromised as between the Settlement Class and Defendant, subject to the
13 terms and conditions set forth in this Stipulation of Settlement and the approval of the Court.

14 b. Effective Date: The Settlement embodied in this Stipulation of Settlement
15 shall become effective when all of the following events have occurred: (i) this Stipulation of
16 Settlement has been executed by all Parties and by counsel for Plaintiff and Defendant; (ii) the
17 Court has given preliminary approval to the Settlement; (iii) the class settlement notice has been
18 given to the Settlement Class, providing them with an opportunity to opt out of or to object to the
19 Settlement; (iv) the Court has held a formal Final Fairness hearing and entered a final order and
20 judgment certifying the Settlement Class and finally approving this Stipulation of Settlement,
21 without objection by the LWDA; and (v) in the event there are objections to the Settlement which
22 are not later withdrawn, the later of the following events: when the period for filing any appeal,
23 writ or other appellate proceeding opposing the Settlement has elapsed without any appeal, writ or
24 other appellate proceeding having been filed; or any appeal, writ or other appellate proceeding
25 opposing the Settlement has been dismissed finally and conclusively with no right to pursue further
26 remedies or relief; or any appeal, writ or other appellate proceeding has upheld the Court’s final
27 order with no right to pursue further remedies or relief. In this regard, it is the intention of the
28 Parties that the Settlement shall not become effective until the Court’s order approving the

1 Settlement is completely final, and there is no further recourse by an appellant or objector who
2 seeks to contest the Settlement. It is further agreed by the Parties that this Settlement will not
3 become effective if Defendant, contrary to Paragraph 14 above, is required by the Court to pay
4 more than the total amount of its maximum total liability under the Settlement as set forth in
5 Paragraph 14 under any circumstances. It is further agreed by and between the Parties that this
6 Settlement shall not become effective, and Defendant shall not have any obligation (monetary or
7 otherwise) under the terms of this Settlement, unless and until any objections, writs and/or appeals,
8 and any rights of appeal with respect to any objections or the judgment, have been finally
9 exhausted and resolved upholding the terms of this Settlement.

10 c. Maximum Settlement Amount, and Net Settlement Amount: To implement
11 the terms of this Settlement, Defendant, on behalf of the Released Parties, agrees to pay a
12 maximum of \$1,250,000 (“Maximum Settlement Amount”), which includes: all payments to Class
13 Members and PAGA Members; Class Counsel’s Attorneys’ Fees; Class Counsel’s Litigation
14 Costs; the Enhancement Award to the class representative; \$100,000 allocated to penalties under
15 the PAGA with seventy-five percent (75%) of that amount, or in other words \$75,000, paid to the
16 LWDA and twenty-five percent (25%) of that amount, or in other words \$25,000, paid to the
17 Settlement Class as described below; and Settlement Administration Expenses. The Parties agree
18 the Maximum Settlement Amount will be fully paid out, with no residue returning to Defendant.
19 At no time shall the Released Parties have the obligation to segregate the funds comprising the
20 Maximum Settlement Amount, and Defendant shall retain exclusive authority over, and the
21 responsibility for, those funds. All payments to Class Members and PAGA Members, Class
22 Counsel’s Attorneys’ Fees, Class Counsel’s Litigation Costs, the Enhancement Award, and
23 Settlement Administration Expenses will be paid out of the Maximum Settlement Amount. Under
24 no condition will the Released Parties’ aggregate liability exceed the Maximum Settlement
25 Amount, except that Defendant will pay the employer payroll taxes for the wage portion of the
26 Settlement Awards in addition to the Maximum Settlement Amount. The “Net Settlement
27 Amount”, the amount available for potential distribution to Class Members, shall be calculated by
28 deducting from the Maximum Settlement Amount: (i) all Class Counsel’s Attorneys’ Fees and

1 Litigation Costs; (ii) the Enhancement Award to the class representative; (iii) the PAGA penalty
2 payment to the LWDA as described further below; (iv) the Net PAGA Settlement Amount to be
3 paid to PAGA Members; and (v) Settlement Administration Expenses. Settlement Awards to the
4 Class Members, and PAGA Shares to the PAGA Members, will be calculated by the settlement
5 Administrator and paid out of the Net Settlement Amount as set forth below. The entire Net
6 Settlement Amount will be paid out pro rata to Class Members who do not opt out and the entire
7 Net PAGA Settlement Amount will be paid out pro rata to PAGA Members.

8 i. Settlement Awards to Class Members: Payments to Class Members
9 for their share of the Net Settlement Amount under the Settlement (“Settlement Awards”) will be
10 determined based on the number of weeks worked by all Class Members during the Class Period
11 based on information provided by Defendant. The workweeks will be calculated by the
12 “Settlement Administrator,” as defined below, for Class Members by dividing the total days
13 employed in California as a Class Member during the Class Period by seven (7). Partial
14 workweeks will not be counted, meaning incomplete workweeks and/or incomplete pay periods,
15 will be rounded down; however, if a Class Member or PAGA Member worked only one day as a
16 Class Member, such Class Member will be credited with having worked one workweek for
17 purposes of the Settlement. Defendant’s workweek data will be presumed to be correct, unless a
18 particular Class Member proves otherwise to the Settlement Administrator by credible written
19 evidence. All workweek and pay period disputes will be resolved and decided by the Settlement
20 Administrator, and the Settlement Administrator’s decision on all workweek and pay period
21 disputes will be final and non-appealable. The amount to be paid per workweek to eligible Class
22 Members will be calculated by the Settlement Administrator by dividing the Net Settlement
23 Amount by the number of weeks worked by Class Members who do not opt out of the Settlement.
24 No claim form shall be required for Settlement Class Members to receive their Settlement Awards.

25 ii. Private Attorneys General Act Allocation: Subject to Court
26 approval, the Parties have agreed to allocate \$100,000.00 of the Maximum Settlement Amount to
27 Plaintiff’s representative claims under PAGA. Seventy-five percent (75%) of this amount, or in
28 other words \$75,000.00, will be paid out of the Maximum Settlement Amount to the LWDA of

1 the State of California, and the remaining twenty-five percent (25%), or in other words \$25,000.00,
2 will be the “Net PAGA Settlement Amount”. Payments to PAGA Members for their share of the
3 Net PAGA Settlement Amount under the Settlement (“PAGA Shares”) will be determined based
4 on the number of pay periods worked by all PAGA Members during the PAGA Period based on
5 information provided by Defendant. The Settlement Administrator will calculate the number of
6 pay periods covered by the PAGA Members during the PAGA Period based on information to be
7 provided by Defendant. Partial pay periods will not be counted; however, if a PAGA Member
8 worked only one day as a PAGA Member, such PAGA Member will be credited with having
9 worked one pay period for purposes of the Settlement. Defendant’s pay period data will be
10 presumed to be correct, unless a particular PAGA Member proves otherwise to the Settlement
11 Administrator by credible written evidence. All pay period disputes will be resolved and decided
12 by the Settlement Administrator, and the Settlement Administrator’s decision on all pay period
13 disputes will be final and non-appealable. The amount to be paid per workweek to PAGA
14 Members will be calculated by the Settlement Administrator by dividing the Net PAGA Settlement
15 Amount by the aggregate number of pay periods worked by PAGA Members. No claim form shall
16 be required for PAGA Members to receive their PAGA Shares.

17 iii. Allocation of Settlement Awards: The Parties have agreed, based
18 on the allegations in the Action, that individual Settlement Awards payable to eligible Class
19 Members will be allocated from the Net Settlement Amount and paid as follows: one-third (1/3)
20 will be allocated to alleged unpaid wages for which IRS Forms W-2 will issue; one-third (1/3) will
21 be allocated to alleged unpaid penalties for which IRS Forms 1099-MISC will issue; and one-third
22 (1/3) will be allocated to alleged unpaid interest for which IRS Forms 1099-MISC will issue.
23 PAGA Shares for the PAGA Members will be paid from the Net PAGA Settlement Amount, after
24 the required payment to the LWDA, as 100% alleged penalties for which IRS Form 1099 will
25 issue.

26 iv. Settlement and PAGA Shares Do Not Trigger Additional Benefits:
27 All Settlement Awards to Class Members, and all PAGA Shares to PAGA Members, shall be
28 deemed to be income to such Class Members and PAGA Members solely in the year in which such

1 awards actually are received by the Class Members and PAGA Members. It is expressly
2 understood and agreed that the receipt of such Settlement Awards and PAGA Shares will not
3 entitle any Class Member or PAGA Member to additional compensation or benefits under any
4 company bonus, contest or other compensation or benefit plan or agreement in place during the
5 period covered by the Settlement, nor will it entitle any Class Member or PAGA Member to any
6 increased retirement, 401(k) benefits or matching benefits, or deferred compensation benefits. It
7 is the intent of this Settlement that the Settlement Awards provided for in this Agreement are the
8 sole payments to be made by Defendant to the Class Members and the PAGA Members in
9 connection with this Settlement, and that the Class Members and PAGA Members are not entitled
10 to any new or additional compensation or benefits as a result of having received the Settlement
11 Awards and PAGA Shares (notwithstanding any contrary language or agreement in any benefit or
12 compensation plan document that might have been in effect during the period covered by this
13 Settlement).

14 v. Attorneys' Fees and Litigation Costs: Subject to Court approval or
15 modification, Defendant agrees to a payment, from the Maximum Settlement Amount, Class
16 Counsel's Attorneys' Fees and Litigation Costs as set forth in Paragraph 17 below.

17 vi. Class Representative: The Parties agree to the designation of
18 Plaintiff Theresa Pelegrino as "Class Representative." Subject to Court approval, and subject to
19 Plaintiff's execution of a general release of all claims under California Code of Civil Procedure
20 section 1542, Defendant agrees to a payment to Plaintiff, from the Maximum Settlement Amount,
21 an award at no additional cost to the Released Parties, ("Enhancement Award"). The Enhancement
22 Award paid to the Class Representative cannot exceed \$7,500.00, is subject to Court approval, and
23 is in addition to any claimed individual Settlement Award to which the Class Representative is
24 entitled under this Stipulation of Settlement. The Enhancement Award is to be part of, and to be
25 deducted from, the Maximum Settlement Amount. The Settlement Administrator will issue an
26 IRS Form 1099-MISC for the Enhancement Award to Plaintiff for Plaintiff's service as a Class
27 Representative, and Plaintiff will be responsible for correctly characterizing this compensation for
28 tax purposes and for paying any taxes on the amount received. Should the Court approve an

1 Enhancement Award to the Class Representative in an amount less than that set forth above, the
2 difference between the lesser amount approved by the Court and the Enhancement Award set forth
3 above shall be added to the Net Settlement Amount.

4 vii. Settlement Administrator: The Settlement Administrator will be
5 mutually agreed upon by the Parties, after review and approval by the Parties of a not-to-exceed
6 quote (“Settlement Administration Expenses”) which Plaintiff’s Counsel agrees to request and
7 circulate to Defendant’s Counsel. All Settlement Administration Expenses shall be paid out of the
8 Maximum Settlement Amount.

9 viii. Mailing of Settlement and PAGA Shares: The Settlement
10 Administrator will cause the Settlement Awards to be mailed to the Class Members who have not
11 opted out of the Settlement and have not previously released their claims as to Defendant, and the
12 PAGA Shares to be mailed to PAGA Members, within thirty-five (35) calendar days after the
13 Settlement becomes effective as defined in Paragraph 15.b.

14 ix. Potential Escalator Clause or Alternative Class Period End Date:
15 For Settlement purposes and based on Class Member data presently available at the time of
16 Settlement, Defendant represent that the Class Members consist of 539 employees who have
17 worked 45,548 workweeks from February 23, 2018 to September 28, 2022. The Parties further
18 agree that if the final number of workweeks from February 23, 2018 to September 28, 2022, which
19 formed the basis of the Settlement, increase by more than five (5) percent above 45,548 workweeks
20 (e.g., to greater than 47,825 workweeks), Defendant at its sole discretions shall either: (1) increase
21 the Maximum Settlement Amount by the proportional amount for the percentage of workweeks
22 above five (5) percent (i.e., by the percentage of workweeks above 47,825 workweeks); or (2) end
23 the Class Period at the point in time where workweeks equal 47,825 workweeks.

24 d. Enhancement Award to Plaintiff for Service as Class Representative: The
25 Settlement Administrator will pay the Enhancement Award approved by the Court to Plaintiff
26 within thirty-five (35) calendar days after the Settlement becomes effective as defined in Paragraph
27 15.b.

28 e. Right to Rescission: If more than five percent (5%) of the Settlement Class

1 opts out of the Settlement by submitting valid and timely Requests for Exclusion as set forth in the
2 Notice of Proposed Class Action Settlement and Hearing Date for Final Court Approval of
3 Settlement (“Class Notice”), Defendant shall have the right (but need not) in its sole discretion to
4 rescind and void the Settlement, before final approval by the Court, by providing written notice to
5 Class Counsel no later than fourteen (14) calendar days after the opt-out deadline. If Defendant
6 exercises this option, Defendant shall pay any costs of settlement administration incurred up to
7 that date, but not to include Class Counsel’s fees and costs.

8 SETTLEMENT ADMINISTRATION

9 16. The Settlement Administrator shall be mutually agreed upon by the Parties to
10 perform the customary duties of Settlement Administrator, subject to Court approval. The
11 Settlement Administrator will mail the Class and PAGA Notice to all Class Members and PAGA
12 Members. The Settlement Administrator will independently review Defendant’s data, based on
13 Defendant’s records, as to the number of weeks worked during the Class Period, and the number
14 pay periods during the PAGA Period, and will calculate the amounts due to Class Members and
15 PAGA Members in accordance with this Stipulation of Settlement. The Settlement Administrator
16 shall report, in summary or narrative form, the substance of its findings. The Settlement
17 Administrator shall be granted reasonable access to Defendant’s records to perform its duties. At
18 the request of Defendant, and upon receipt of funds from Defendant, the Settlement Administrator
19 will issue and send out Settlement Award checks to Class Members and PAGA Shares to PAGA
20 Members. Defendant shall be able to review proposed distributions and class workweek data, and
21 PAGA pay period data, to ensure correct and accurate distributions and representations to the Class
22 Members and PAGA Members through the Class Notice are accurate. Tax treatment of the
23 Settlement Awards and PAGA Shares will be as set forth herein and in accordance with state and
24 federal tax laws. All disputes relating to the Settlement Administrator’s performance of its duties
25 shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms
26 and conditions of this Stipulation of Settlement until all payments and obligations contemplated
27 by this Stipulation of Settlement have been fully carried out. The Settlement Administrator shall
28 create and maintain a webpage, which will include links to the Settlement Agreement, Class

1 Notice, Motions for Preliminary and Final Approval (including Motion for Attorneys' Fees) as
2 they become available, until the Effective Date. The website shall also include links to any other
3 documents or information the Settlement Administrator deems necessary to perform its duties.

4 ATTORNEYS' FEES AND LITIGATION COSTS

5 17. In consideration for settling this Action, in exchange for the release of claims by
6 the Settlement Class, and subject to final approval or modification by the Court, Defendant agrees
7 to pay, from the Maximum Settlement Amount, Class Counsel attorneys' fees not to exceed thirty-
8 eight percent (38%) of the Maximum Settlement Amount ("Attorneys' Fees), or in other words up
9 to \$475,000 if the Maximum Settlement Amount remains \$1,250,000, and attorneys' costs not to
10 exceed \$25,000 from the Maximum Settlement Amount ("Litigation Costs"). Defendant will not
11 object to Class Counsel's application for Attorneys' Fees and Litigation Costs up to these amounts.
12 The amounts set forth above will cover all work performed and all fees and costs incurred to date,
13 and all work to be performed and all fees and costs to be incurred in connection with the approval
14 by the Court of this Stipulation of Settlement, the administration of the Settlement, and obtaining
15 the final judgment. Should Class Counsel request lesser amounts, or should the Court approve
16 lesser amounts for Attorneys' Fees and Litigation Costs, the difference between the lesser amounts
17 and the Maximum Settlement Amount shall be added to the Net Settlement Amount.

18 18. The Attorneys' Fees and Litigation Costs approved by the Court shall be paid to
19 Class Counsel within thirty-five (35) calendar days after the Settlement becomes effective as
20 defined in Paragraph 15.b.

21 NOTICE TO THE PLAINTIFF CLASS

22 19. The Class and PAGA Notice shall be jointly drafted by the Parties, and as approved
23 by the Court, shall be sent by the Settlement Administrator to the Class Members by first-class
24 mail. The Class Notice shall be substantially in the form identified as **Exhibit 1** to this Settlement.

25 a. Within thirty (30) calendar days after preliminary approval of this
26 Settlement by the Court, Defendant shall provide to the Settlement Administrator the Class
27 Members' and PAGA Members' names, last known addresses, last known telephone numbers,
28 Social Security Numbers, and workweek data during the Class Period and pay period data during

1 the PAGA Period. The Parties agree the contact information and Social Security Numbers will be
2 used only by the Settlement Administrator for the sole purpose of effectuating the Settlement and
3 will not be provided to Class Counsel at any time or in any form. The Settlement Administrator
4 shall take reasonable steps to protect the confidential and private information. To the extent Class
5 Counsel possesses or comes to possess the contact information and/or Social Security Numbers
6 from the Settlement Administrator, Class Counsel shall return all such information (including
7 copies and data or information derived therefrom) within seven (7) calendar days from the date the
8 Court finally approves the Settlement, shall destroy all copies in any form of such information,
9 and shall not retain, maintain or use such information for any purpose. The information provided
10 for above shall be based on Defendant's payroll and other business records and in a format
11 acceptable to the Settlement Administrator. Defendant agrees to consult with the Settlement
12 Administrator prior to the production date to ensure that the format will be acceptable to the
13 Settlement Administrator. The information will need to be provided to the Settlement
14 Administrator by reasonable security measures and reasonably secure technology. The Settlement
15 Administrator will run a check of the Class Members' addresses against those on file with the U.S.
16 Postal Service's National Change of Address List. Within forty-five (45) calendar days of
17 preliminary approval of this Settlement, the Settlement Administrator will mail the Class and
18 PAGA Notice to Class Members and PAGA Members.

19 b. Class and PAGA Notices returned to the Settlement Administrator as
20 non-delivered shall be resent to the forwarding address, if any, on the returned envelope. If there
21 is no forwarding address, the Settlement Administrator will do an NCOA check and will skip-trace
22 return mail and re-mail within three (3) business days of receipt using the Class Member's Social
23 Security Number; this search will be performed only once per Class Member by the Settlement
24 Administrator. Class Members and PAGA Members will have a maximum of fifteen (15) calendar
25 days from the date of the re-mailing due to an undeliverable notice to cure the deficiency, or until
26 the end of the opt out deadline, whichever is later. Upon completion of these steps by the
27 Settlement Administrator, Defendant and the Settlement Administrator shall be deemed to have
28 satisfied their obligations to provide the Class and PAGA Notice to the affected member of the

1 Settlement Class. The affected member of the Settlement Class shall remain a member of the
2 Settlement Class and shall be bound by all the terms of the Stipulation of Settlement and the
3 Court's Order and Final Judgment.

4 c. The Class and PAGA Notice shall also identify the procedures for opting
5 out of or objecting to the Settlement.

6 d. Class Counsel shall provide to the Court, at least sixteen (16) court days
7 before the Final Fairness hearing, an initial declaration by the Settlement Administrator of due
8 diligence and proof of mailing with regard to the mailing of the Class Notice.

9 ADMINISTRATION PROCESS

10 20. The Class Members will have sixty (60) calendar days from the date of mailing in
11 which to submit requests for exclusion ("opt out"). PAGA Members are not entitled to opt out as
12 a PAGA Member.

13 21. Settlement Awards to Class Members, and PAGA Shares to PAGA Members will
14 be mailed by the Settlement Administrator within thirty-five (35) calendar days after the
15 Settlement becomes effective as defined in Paragraph 15.b. Settlement Award and PAGA Share
16 checks shall remain valid and negotiable for one hundred eighty (180) calendar days from the date
17 of their issuance; the Parties agree the Settlement Administrator will send one (1) reminder notice
18 to all Class Members and PAGA Members who have not cashed the Settlement Award or PAGA
19 Share check thirty (30) calendar days prior to the deadline; upon the deadline to cash the Settlement
20 Award and PAGA Share checks, the checks will automatically be cancelled by the Settlement
21 Administrator if not cashed by the Class Member or the PAGA Member within that time, at which
22 point the Class Members' and PAGA Members' claims will be deemed void and of no further
23 force or effect, and the Class Members' and PAGA Members' claims will remain released by the
24 Settlement. The checks provided to Class Members and PAGA Members shall prominently state
25 the expiration date or a statement that the checks will expire in one hundred eighty (180) days, or
26 alternatively, such a statement may be made in a letter accompanying the check. Expired
27 Settlement Award and PAGA Share checks will not be reissued, except for good cause and as
28 mutually agreed by the Parties in writing. Any residue from uncashed Settlement Award checks

1 after the expiration date will be paid within fourteen (14) calendar days after the one hundred
2 eighty (180)-day check cashing period expires pursuant to California Code of Civil Procedure
3 section 384(b)(3) to Koinonia Family Services: <https://www.kfh.org/services/child-advocacy/>, a
4 non-profit 501(c)(3) organization with child advocacy programs in the State of California, as the
5 *cy pres* recipient, subject to Court approval. Any residue received by Koinonia Family Services
6 shall be ordered by the Court to be used solely for child advocacy programs within the State of
7 California pursuant to California Code of Civil Procedure section 384(b). Upon completion of its
8 calculation of payments, the Settlement Administrator shall provide Defendant with a report listing
9 the amount of all payments to be made to each Class Member and PAGA Member. Defendant, on
10 behalf of the Released Parties, will pay to the Settlement Administrator the Maximum Settlement
11 Amount within thirty (30) calendar days after the Settlement becomes effective as defined in
12 Paragraph 15.b. The Settlement Administrator will be responsible for making appropriate
13 deductions, calculating and reporting the employer payroll taxes on the Settlement Awards and
14 PAGA Shares, paying to Class Counsel any Court-approved Attorneys' Fees and Litigation Costs,
15 paying to the Class Representative any Court-approved Enhancement Award, paying the LWDA
16 seventy-five percent (75%) of the amount allocated for PAGA penalties above, paying the
17 Settlement Administration Expenses, meeting tax reporting obligations, and for issuing the
18 individual Settlement Awards to Class Members and PAGA Shares to PAGA Members. Proof of
19 compliance with the Court's final approval order will be provided to counsel for the Parties by the
20 Settlement Administrator within twenty-one (21) days after all payment obligations, the check
21 cashing deadline for Class Members, and payment to the *cy pres* beneficiary have passed.

22 OPTING OUT OF / OBJECTING TO THE SETTLEMENT

23 22. Opting Out of the Settlement. For those Class Members who do not wish to
24 participate in the Settlement, such Class Members may exclude themselves by submitting a timely
25 written request to the Settlement Administrator. PAGA Members cannot opt out as a PAGA
26 Member, and release all Released PAGA Claims during the PAGA Period. The written request
27 ("Request for Exclusion") should state that he/she has received the "Notice of Proposed Class
28 Action Settlement and Hearing Date for Final Court Approval of Settlement", he/she has decided

1 not to participate in the Settlement, and words to the effect that he/she desires to be excluded from
2 the Settlement. The Request for Exclusion must also state the individual's full name, address, date
3 of birth, and dates he/she worked as a Class Member for Defendant in California. The Request for
4 Exclusion must be signed, dated and mailed by First-Class U.S. Mail, or the equivalent, to the
5 Settlement Administrator. All Requests for Exclusion must be postmarked and mailed to the
6 Settlement Administrator no later than sixty (60) calendar days after the Settlement Administrator
7 mails the Class Notice to the Class Members. Any individual who submits a Request for Exclusion
8 will not be allowed to object to the terms of the Settlement.

9 23. Objecting to the Settlement. Any individual who does not exclude himself/herself
10 from the Settlement can object to the terms of the Settlement in writing before the deadline to
11 object to the Settlement. To object, the individual must file a written objection and a notice of
12 intention to appear at the Final Approval hearing with the Clerk of the Sacramento County Superior
13 Court of the State of California and send copies to the Settlement Administrator, Class Counsel,
14 and counsel for Defendant. Any written objection must state each specific reason in support of
15 the objection and any legal support for each objection. The individual must state his/her full name,
16 address, date of birth, and dates he/she worked as a Class Member in California for Defendant. To
17 be valid and effective, any written objections to approval of the Settlement must be filed with the
18 Clerk of the Court and delivered to the Settlement Administrator, Class Counsel, and counsel for
19 Defendant no later than sixty (60) calendar days after the Settlement Administrator mails the Class
20 and PAGA Notice. However, a Class Member and PAGA Member may appear at the Final
21 Approval hearing, either in person or through his/her own counsel, and object to the Settlement
22 Agreement and any of its terms without submitting a prior objection in the manner and by the
23 deadline specified above. If the Court rejects the objection, the individual will be bound by the
24 terms of the Settlement.

25 RELEASE BY THE CLASS

26 24. Effective upon the date of final approval by the Court of this Stipulation of
27 Settlement, and except as to such rights or claims as may be created by this Stipulation of
28 Settlement, the Settlement Class and each member of the Class who has not submitted a valid

1 Request for Exclusion fully release and discharge the Released Parties from all claims under state,
2 federal and local law that were or could have been asserted based on the facts and allegations made
3 in the Action, and any amendments thereto, as to the Class Members, including without limitation,
4 California Labor Code sections 200-204, 218, 218.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1194,
5 1197, 1197.1, 1198, 2800, 2802, 2698, *et seq.*, California Industrial Commission Wage Orders,
6 Cal. Code Regs., Title. 8, section 11040, *et seq.*, and Business and Professions Code sections
7 17200, *et seq.*, California Code of Civil Procedure section 1021.5, and including all claims for or
8 related to alleged unpaid wages, minimum wages, hours worked, overtime or double time wages,
9 regular rate of pay, bonus and incentive pay, timely payment of wages during employment, timely
10 payment of wages at separation, wage statements, payroll records and recordkeeping,
11 unreimbursed business expenses, meal periods and meal period premiums, rest breaks and rest
12 break premiums, failure to pay additional 401(k) benefits and/or deferred compensation benefits
13 and/or matching benefits for payments received under the Settlement, unfair competition, unfair
14 business practices, unlawful business practices, fraudulent business practices, class actions,
15 representative actions, aggrieved party claims, declaratory relief, penalties of any nature (including
16 but not limited to civil penalties, waiting-time penalties, and PAGA penalties), interest, fees, costs,
17 as well as all other claims and allegations alleged in the Action (collectively “Released Class
18 Claims”), from February 23, 2018 through the date the Court finally approves the Settlement
19 (“Class Release Period”). Expressly excluded from the release are claims for retaliation,
20 discrimination, unemployment insurance, disability, workers’ compensation, and claims outside
21 the Released Claims.

22 25. Effective upon the date of final approval by the Court of this Stipulation of
23 Settlement, the claims to be released by the PAGA Members include all claims arising during the
24 PAGA Period seeking civil penalties under PAGA, that Plaintiff as proxy for the State of California
25 and/or the LWDA, to the maximum extent permitted by law, and as a private attorney general
26 acting on behalf of Plaintiff and the PAGA Members, asserted or could reasonably have asserted
27 based on the facts alleged in the Action and/or the LWDA letter, including but not limited to all
28 claims arising under the California Labor Code including, but not limited to, sections 200-204,

1 218, 218.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1194, 1197, 1197.1, 1198, 2800, 2802, 2698,
2 *et seq.* as alleged in the Complaint, and the wage orders of the California Industrial Welfare
3 Commission based the facts alleged in the Action (collectively “Released PAGA Claims”). The
4 Settlement shall release and bar all Released PAGA Claims by or on behalf of Plaintiff and all
5 PAGA Members through the date the Court finally approves the Settlement (“PAGA Release
6 Period”) and for the entire PAGA Release Period, regardless of whether Plaintiff and/or a PAGA
7 Member negotiates (cashes) their/his/her settlement checks sent pursuant to this Settlement and
8 regardless of whether any such PAGA Member opts out or attempts to exclude himself or herself
9 from the Settlement.

10 26. In addition to the Released Claims identified in Paragraph 24, Plaintiff Theresa
11 Pelegrino agrees to generally release the Released Parties from any and all claims, whether known
12 or unknown, under all federal, state and local statutes, and federal and state common law (including
13 but not limited to those for contract, tort and equity), except for workers’ compensation claims.
14 Plaintiff acknowledges the language of Section 1542 of the California Civil Code, which provides:

15 A general release does not extend to claims that the creditor or
16 releasing party does not know or suspect to exist in his or her favor
17 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.

18 Plaintiff expressly waives the protection of Section 1542. Plaintiff understands and agrees
19 that claims or facts in addition to or different from those which are now known or believed by her
20 to exist may hereafter be discovered. It is Plaintiff’s intention to settle fully and release all of the
21 claims, except for workers’ compensation claims, Plaintiff now has against the Released Parties,
22 whether known or unknown, suspected or unsuspected.

23 DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

24 27. To effectuate the terms of the Settlement, the Parties agree all formal and informal
25 discovery shall be stayed pending Court approval of the Settlement. Class Counsel agree to notify
26 the Court of the Settlement through a Notice of Proposed Class Action Settlement, and to request
27 that all current Court deadlines be continued pending Court approval of the Settlement. Class
28 Counsel agree to cease all affirmative communication (oral and written) with the putative class

1 members, other than through Court-approved notices; this provision does not prevent Class
2 Counsel from communicating with any Class Members or PAGA Member who may contact Class
3 Counsel. Plaintiff shall promptly submit this Stipulation of Settlement to the Sacramento County
4 Superior Court in support of Plaintiff's Motion for Preliminary Approval and determination by the
5 Court as to its fairness, adequacy and reasonableness. Plaintiff agrees to provide Defendant the
6 opportunity to review, and to approve before filing, Plaintiff's Motion for Preliminary Approval.
7 At the same time Plaintiff submits this Stipulation of Settlement to the Sacramento County
8 Superior Court, Plaintiff agrees to submit a copy of the Stipulation of Settlement to the LWDA.
9 Promptly upon execution of this Stipulation of Settlement, Plaintiff shall apply to the Court for the
10 entry of an order preliminarily approving the Settlement in a form that is mutually agreeable
11 between the Parties and also provides for the following:

12 a. Scheduling a Final Fairness hearing on the question of whether the proposed
13 Settlement, including payment of Attorneys' Fees and Litigation Costs, costs of administration
14 and the Class Representative's Enhancement Award should be finally approved as fair, reasonable
15 and adequate as to the members of the Settlement Class;

16 b. Certifying a Settlement Class, Plaintiff Theresa Pelegrino as Class
17 Representative, and Edwin Aiwasian and Melissa A. LeBlanc of Lawyers for Justice, PC, as Class
18 Counsel;

19 c. Approving as to form and content the proposed Class and PAGA Notice;

20 d. Approving the manner and method for Class Members to request exclusion
21 from the Settlement as contained herein and within the Class Notice;

22 e. Directing the mailing of the Class and PAGA Notice by first-class mail to
23 the Class Members and PAGA Members;

24 f. Preliminarily approving the Settlement subject only to the objections of
25 Class Members and PAGA Members, and final review by the Court; and

26 g. Enjoining Plaintiff and all Class Members and PAGA Members from filing
27 or prosecuting any other cases, claims, suits or administrative proceedings (including filing claims
28 with the Division of Labor Standards Enforcement of the California Department of Industrial

1 Relations) regarding the Released Class Claims, and Released PAGA Claims, unless and until
2 such Class Members have filed valid Requests for Exclusion with the Settlement Administrator
3 and the time for filing Requests for Exclusion with the Settlement Administrator has elapsed.

4 (h) The Preliminary Approval Order shall be substantially in the form identified
5 as **Exhibit 2** to this Settlement.

6 DUTIES OF THE PARTIES FOR FINAL COURT APPROVAL

7 28. Class Counsel agreed to return all confidential documents, lists and data in all forms
8 and formats (originals and copies) within seven (7) calendar days from final Court approval of the
9 Settlement. Plaintiff agrees to provide Defendant the opportunity to review, and to approve before
10 filing, Plaintiff's Motion for Final Approval of Class Action and PAGA Settlement. Class Counsel
11 agrees to submit a proposed final order and judgment mutually agreeable between the Parties, and
12 substantially in the form identified as **Exhibit 3** to this Settlement, and provides for the following:

13 a. Approving the Settlement, adjudging the terms thereof to be fair, reasonable
14 and adequate, and directing consummation of its terms and provisions;

15 b. Approving Class Counsel's application for an award of Attorneys' Fees and
16 Litigation Costs;

17 c. Approving the Enhancement Award to the Class Representative; and

18 d. Entering judgment in accordance with California Rules of Court,
19 rule 3.769(h), and permanently barring and enjoining all Class Members and PAGA Members
20 from prosecuting against: (i) Defendant; (ii) each of Defendant's respective past, present and
21 future parents, subsidiaries, and affiliates including, without limitation, any corporation, limited
22 liability company, or partnership; (iii) the past, present and future board members, directors,
23 officers, agents, employees, attorneys, insurers, members, partners, managers, contractors, agents,
24 consultants, representatives, administrators, fiduciaries, benefit plans, transferees, predecessors,
25 successors, and assigns of any of the foregoing; and (iv) any individual or entity which could be
26 jointly liable with any of the foregoing, including, but not limited to, temporary agencies.

27 PARTIES' AUTHORITY

28 29. The signatories hereto hereby represent that they are fully authorized to enter into

1 this Stipulation of Settlement and bind the Parties hereto to the terms and conditions thereof.

2 MUTUAL FULL COOPERATION

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

12 31. The Parties and their respective counsel agree that they will not attempt to
13 encourage or discourage Class Members from filing Requests for Exclusion.

14 NO PRIOR ASSIGNMENTS

15 32. The Parties and their counsel represent, covenant and warrant that they have not,
16 directly or indirectly, assigned, transferred or encumbered, or purported to assign, transfer or
17 encumber, to any person or entity any portion of any liability, claim, demand, action, cause of
18 action or right herein released and discharged except as set forth herein.

19 NO ADMISSION

20 33. Nothing contained herein, nor the consummation of this Stipulation of Settlement,
21 is to be construed or deemed an admission of liability, culpability, negligence or wrongdoing on
22 the part of Defendant. Each of the Parties hereto has entered into this Stipulation of Settlement
23 solely with the intention to avoid further disputes and litigation with the attendant inconvenience
24 and expenses.

25 ENFORCEMENT ACTIONS

26 34. The Parties agree that the Sacramento County Superior Court shall retain
27 jurisdiction to enforce the terms of this Settlement pursuant to California Code of Civil Procedure
28 section 664.6. In the event one or more of the Parties to this Stipulation of Settlement institutes

1 any legal action or other proceeding against any other Party or Parties to enforce the provisions of
2 this Stipulation of Settlement or to declare rights or obligations under this Stipulation of
3 Settlement, the successful Party or Parties shall be entitled to recover from the unsuccessful Party
4 or Parties' reasonable attorneys' fees and litigation costs, including expert witness fees, incurred
5 in connection with any enforcement actions.

6 NOTICES

7 35. Unless otherwise specifically provided herein, all notices, demands or other
8 communications given hereunder shall be in writing and shall be deemed to have been duly given
9 as of the third (3rd) business day after mailing by United States registered or certified mail, return
10 receipt requested, addressed as follows:

11 To Plaintiff and the Settlement Class

12 Edwin Aiwarzian
13 Joanna Ghosh
14 Brian J. St. John
15 LAWYERS *for* JUSTICE, P.C.
16 410 West Arden Avenue, Suite 203
17 Glendale, California 91203

15 To Defendant

16 Cary G. Palmer
17 Erika M. Barbara
18 JACKSON LEWIS P.C.
19 400 Capitol Mall, Suite 1600
20 Sacramento, CA 95814

21 NO PUBLIC COMMENT

22 36. The Class Representative and Class Counsel will not make any public disclosure of
23 the Settlement, except through Court filings to preliminary and finally approve the Settlement.
24 Class Counsel will take all steps necessary to ensure that the Class Representative is aware of, and
25 will ensure that the Class Representative adheres to, the restriction against any public disclosure
26 of the Settlement. Following preliminary Court approval of the Settlement, the Class
27 Representative and Class Counsel will not initiate any communications (directly or indirectly) with
28 the media regarding the Action. Notwithstanding the foregoing, the Class Representative and
Class Counsel may, in response to a communication initiated by the media, direct the inquiring
media member to the public records of the Action on file with the Court. Class Counsel will take

1 all steps reasonably necessary to ensure that the Class Representative is aware of, and will ensure
2 that he will adhere to, the restriction against any media comment on the Settlement and its terms.

3 CONSTRUCTION

4 37. The Parties hereto agree that the terms and conditions of this Stipulation of
5 Settlement are the result of lengthy, intensive arms-length negotiations between the Parties and
6 this Stipulation of Settlement shall not be construed in favor of or against any party by reason of
7 the extent to which any party or his, her or its counsel participated in the drafting of this Stipulation
8 of Settlement.

9 CAPTIONS AND INTERPRETATIONS

10 38. Paragraph titles or captions contained herein are inserted as a matter of convenience
11 and for reference, and in no way define, limit, extend or describe the scope of this Stipulation of
12 Settlement or any provision of it. Each term of this Stipulation of Settlement is contractual and
13 not merely a recital.

14 MODIFICATION

15 39. This Stipulation of Settlement may not be changed, altered or modified, except in
16 writing and signed by the Parties hereto and approved by the Court. This Stipulation of Settlement
17 may not be discharged except by performance in accordance with its terms or by a writing signed
18 by the Parties hereto.

19 INTEGRATION CLAUSE

20 40. This Stipulation of Settlement and the Confidential Memorandum of
21 Understanding contain the entire agreement between the Parties relating to the Settlement and
22 transaction contemplated hereby, and all prior or contemporaneous agreements, understandings,
23 representations and statements, whether oral or written and whether by a Party or such Party's
24 legal counsel, are merged herein. No rights hereunder may be waived except in writing.

25 BINDING ON ASSIGNS

26 41. This Stipulation of Settlement shall be binding upon and inure to the benefit of the
27 Parties and the Released Parties hereto, and their respective heirs, trustees, executors,
28 administrators, successors and assigns.

1 CLASS MEMBER SIGNATORIES

2 42. It is agreed that because the members of the Class and PAGA Members are so
3 numerous, it is impossible or impractical to have each member of the Class execute this Stipulation
4 of Settlement. The Class and PAGA Notice will advise all Class Members and PAGA Members
5 of the binding nature of the release, and the release shall have the same force and effect as if this
6 Stipulation of Settlement were executed by each member of the Class.

7 COUNTERPARTS

8 43. This Stipulation of Settlement may be executed in counterparts and by facsimile
9 signatures, and when each Party has signed and delivered at least one such counterpart, each
10 counterpart, including e-mail and PDF versions, shall be deemed an original and, when taken
11 together with other signed counterparts, shall constitute one Stipulation of Settlement binding upon
12 and effective as to all Parties.

13 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this
14 Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiff and
15 Defendant as of the date(s) set forth below:

16 **Plaintiff and Class Representative**

17 Dated: 06/03/2024

Electronically Signed 2024-06-04 03:14:31 UTC - 65.111.42.99
Theresa Pelegrino
Hinter AssumeSign® 66dd4051-2d00-4886-9e6f-818500110386

THERESA PELEGRINO

19 **Defendant**

20 SACRAMENTO CHILDREN'S HOME

21 Dated: _____

22 By: _____
23 Authorized Officer or Agent

1 CLASS MEMBER SIGNATORIES

2 42. It is agreed that because the members of the Class and PAGA Members are so
3 numerous, it is impossible or impractical to have each member of the Class execute this Stipulation
4 of Settlement. The Class and PAGA Notice will advise all Class Members and PAGA Members
5 of the binding nature of the release, and the release shall have the same force and effect as if this
6 Stipulation of Settlement were executed by each member of the Class.

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9 signatures, and when each Party has signed and delivered at least one such counterpart, each
10 counterpart, including e-mail and PDF versions, shall be deemed an original and, when taken
11 together with other signed counterparts, shall constitute one Stipulation of Settlement binding upon
12 and effective as to all Parties.

13 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this
14 Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiff and
15 Defendant as of the date(s) set forth below:

16 **Plaintiff and Class Representative**

17 Dated: _____

18 THERESA PELEGRINO

19 **Defendant**

20 SACRAMENTO CHILDREN'S HOME

21 Dated: June 4, 2024

22 By:  _____
23 Authorized Officer or Agent

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APPROVED AS TO FORM:

Dated: June 4, 2024

LAWYERS *for* JUSTICE, P.C.

By: 
Arby Aiwazian
Joanna Ghosh
Brian J. St. John
Attorneys for Plaintiff and
Class and PAGA Members

JACKSON LEWIS P.C.

Dated: _____

By: _____
Cary G. Palmer
Erika M. Barbara
Attorneys for Defendant
Sacramento Children's Home

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APPROVED AS TO FORM:

LAWYERS *for* JUSTICE, P.C.

Dated: _____

By: _____

Arby Aiwazian
Joanna Ghosh
Brian J. St. John
Attorneys for Plaintiff and
Class and PAGA Members

JACKSON LEWIS P.C.

Dated: June 4, 2024

By:  _____

Cary G. Palmer
Erika M. Barbara
Attorneys for Defendant
Sacramento Children's Home

EXHIBIT 1

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

THERESA PELEGRINO, individually, and
on behalf of other members of the general public
similarly situated,

Plaintiff,

vs.

SACRAMENTO CHILDREN'S HOME,
a California corporation; and DOES 1
through 100, inclusive,

Defendants.

Case No. 34-2022-00315912

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

**ATTENTION: ALL PERSONS EMPLOYED BY SACRAMENTO CHILDREN'S HOME AS NON-EXEMPT
EMPLOYEES IN CALIFORNIA FROM FEBRUARY 23, 2018 TO [DATE OF PRELIMINARY APPROVAL]:**

**PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF
CLASS ACTION LITIGATION. IF YOU ARE A CLASS MEMBER, IT CONTAINS IMPORTANT INFORMATION ABOUT
YOUR RIGHT TO RECEIVE PAYMENT OR TO OPT OUT OF THE SETTLEMENT ACCORDING TO THE
PROCEDURES DESCRIBED BELOW.**

**IF YOU DO NOT WISH TO RECEIVE PAYMENT UNDER THE SETTLEMENT OR PARTICIPATE IN THE
SETTLEMENT, YOU MUST REQUEST TO BE EXCLUDED FROM THE SETTLEMENT CLASS ON OR BEFORE
[RESPONSE DEADLINE].**

Pursuant to the Order Granting Preliminary Approval of Class Action and PAGA Settlement of the Superior Court of the State of California in and for Sacramento County entered [DATE OF PRELIMINARY APPROVAL], YOU ARE HEREBY NOTIFIED AS FOLLOWS:

A class action settlement has been reached between the Parties in the above-captioned lawsuit pending in the Superior Court of the State of California for the County of Sacramento on behalf of all persons currently and formerly employed by Sacramento Children's Home ("Defendant") as non-exempt employees in California from February 23, 2018 to [DATE OF PRELIMINARY APPROVAL] (the "Settlement Class" or "Class Members"); the Settlement Class does not include persons who submit valid Requests for Exclusion (as explained below), or who previously settled, released or received awards for claims covered by the Settlement.

All Class Members who worked any hours for Defendant in California during any pay period from February 23, 2021 through [DATE OF PRELIMINARY APPROVAL] are aggrieved employees with respect to the California Private Attorneys General Act ("PAGA") ("PAGA Members"), and will be paid their PAGA Share and release the Released PAGA Claims regardless of whether they submit a timely and valid Request for Exclusion from the Settlement.

The "Released Parties" in the Action include: (i) Defendant; (ii) each of Defendant's respective past, present and future parents, subsidiaries, and affiliates including, without limitation, any corporation, limited liability company, or partnership; (iii) the past, present and future board members, directors, officers, agents, employees, attorneys, insurers, members, partners, managers, contractors, agents, consultants, representatives, administrators, fiduciaries, benefit plans, transferees, predecessors, successors, and assigns of any of the foregoing; and (iv) any individual or entity which could be jointly liable with any of the foregoing, including, but not limited to, temporary agencies.

You have received this notice because records indicate you worked for Defendant as a non-exempt employee in California during the Class Period and/or PAGA Period (defined below). This notice is to advise you of how you can either participate in the Settlement or be excluded from the Settlement.

I. BACKGROUND OF THE CASE

On February 23, 2022, Plaintiff Theresa Pelegrino filed a complaint against Defendant in the Sacramento County Superior Court on behalf of herself and other non-exempt employees who worked for Defendant in California alleging claims of failure to pay overtime wages pursuant to Labor Code sections 510 and 1198, failure to provide meal and rest periods pursuant to Labor Code sections 226.7 and 512(a), failure to pay minimum wages pursuant to Labor Code sections 1194, 1197, and 1197.1, failure to timely pay wages

pursuant to Labor Code sections 201, 202, and 204, violation of Labor Code sections 226(a), 1174(d), 2800, and 2802, and violation of Business and Professions Code section 17200. On February 2, 2024, Plaintiff provided written notice by certified mail to the Labor and Workplace Development Agency (“LWDA”) and by online submission to Defendant of the specific provisions of the California Labor Code that were allegedly violated by Defendant. On [FAC FILING DATE], Plaintiff filed a First Amended Class Action and Representative Action Complaint, which asserted the same claims as the Action and added a claim for penalties for wage and hour violations under the PAGA (“Complaint”). The term “Action” means this putative class and representative action pending in Sacramento County Superior Court, Case No. 34-2022-00315912. The class period is from February 23, 2018 through [DATE OF PRELIMINARY APPROVAL] (the “Class Period”). The PAGA period is from February 23, 2021 through [DATE OF PRELIMINARY APPROVAL] (“PAGA Period”).

Plaintiff’s Complaint alleges a failure to pay overtime wages, failure to provide meal and rest periods, failure to pay minimum wages, failure to timely pay wages, failure to provide accurate wage statements, failure to reimburse business expenses, unfair competition, and a PAGA cause of action, on behalf of all persons currently and formerly employed by Defendant as non-exempt employees in California from February 23, 2018 to [DATE OF PRELIMINARY APPROVAL]. Plaintiff’s Complaint seeks recovery of compensatory damages, penalties, interest, and attorneys’ fees and costs. Defendant denies all claims, and denies that Plaintiff and the Class Members and PAGA Members are entitled to any recovery.

The Action has been actively litigated. There have been on-going investigations, and there has been an exchange of extensive documentation and information. Furthermore, the Parties have participated in extensive private settlement negotiations. Based upon the negotiations, and all known facts and circumstances, including the various risks and uncertainties related to legal actions including the complete defenses to liability potentially available to Defendant, the inherent risk of trial on the merits, the risk of denial of class certification, and the delays associated with litigation, the Parties reached a class wide and PAGA settlement. By settling, the Parties will avoid the risks associated with a lengthy litigation process. Despite agreeing to and supporting the Settlement, Defendant continues to deny all allegations and claims, and entering into the Settlement is not an admission of wrongdoing or liability.

The Parties have since entered into a Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiff and Defendant, which has been preliminarily approved by the Court.

If you are part of the Settlement Class, you have the opportunity to participate in the Settlement, or to exclude yourself (“opt out”) from the Settlement. PAGA Members are not eligible to exclude themselves from, or to opt out of, the Released PAGA Claims.

II. SUMMARY OF THE PROPOSED SETTLEMENT

A. The Amount of the Settlement

Under the terms of the Settlement, Defendant agrees to pay a Maximum Settlement Amount of \$1,250,000 for all claims, attorneys’ fees and costs, enhancement award, penalties, and settlement administration expenses (“Maximum Settlement Amount”). Deducted from this Maximum Settlement Amount will be sums approved by the Court for attorneys’ fees not to exceed thirty-eight percent (38%) of the Maximum Settlement Amount which equals \$475,000, attorneys’ costs not to exceed \$25,000, an Enhancement Award to the Class Representative not to exceed \$7,500, the fees and expenses of the settlement administrator, and \$75,000 payable to the California Labor and Workforce Development Agency (“LWDA”) for alleged PAGA penalties, which will result in a “Net Settlement Amount” for distribution to all Class Members. As explained further below, the amount of each Class Member’s Settlement Award will depend on the number of weeks worked by participating Class Members during the Class Period.

This notice will list for each Class Member the number of weeks each Class Member worked during the Class Period and his/her estimated Settlement Award. This notice will also list for each PAGA Member the number of pay periods each worked during the PAGA Period

B. Settlement Formula, and Settlement Awards

Defendant will pay Settlement Awards through a Settlement Administrator, as described below, to each Class Member who has not submitted a Request for Exclusion from the Settlement. All Settlement Awards will be subject to appropriate taxation. The Parties have agreed, based on the allegations in the Action, that all Settlement Awards payable to eligible Class Members will be allocated from the Net Settlement Amount and paid as one-third (1/3) alleged unpaid wages for which IRS Forms W-2 will issue and two-thirds (2/3) for alleged unpaid penalties and interest for which IRS Forms 1099-MISC will issue. Individual PAGA awards (“PAGA Share(s)”) for the PAGA Members will be paid from the Net PAGA Settlement Amount, after the required payment to the LWDA, as alleged penalties for which IRS Form 1099 will issue.

Settlement Awards to Class Members will be based on the number of weeks worked by individual Class Members during the Class Period. The number of workweeks will be determined by reference to Defendant’s records. The Settlement Administrator or

Defendant, based on Defendant's records, will calculate the number of workweeks for each Class Member during the Class Period. The number of weeks worked will be calculated by dividing by seven (7) the total number of days worked by the Class Member for Defendant in California during the Class Period. Partial workweeks will not be counted, meaning incomplete workweeks will be rounded down; however, if a Class Member worked only one day as a Class Member, such Class Member will be credited with having worked one workweek for purposes of the Settlement.

Receipt of the Settlement Awards will not entitle any Class Member to additional compensation or benefits under any company compensation or benefit plan or agreement in place during the period covered by the Settlement.

C. Calculations to Be Based on Defendant's Records

For each Class Member and PAGA Member, the amount payable to the Class Member and/or the PAGA Member will be calculated by the Settlement Administrator from Defendant's records. Defendant's records will be presumed correct, unless evidence to the contrary is provided to the Settlement Administrator. Defendant's records and any additional evidence will be reviewed by the Settlement Administrator in the event of a dispute about the number of workweeks or pay periods worked by an individual Class Member or PAGA Member. If a Class Member or PAGA Member disputes the accuracy of Defendant's records, all supporting documents evidencing additional workweeks must be submitted by the Class Member or PAGA Member. The dispute will be resolved by the Settlement Administrator as described in Section E below.

D. Release of Claims

The Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiff and Defendant contains a release which releases Defendant and the Released Parties from all claims under state, federal and local law alleged in the Action and that reasonably could have been alleged in the Action based on the factual allegations contained in the operative Complaint in the Action and any amendments thereto, as to the Class Members, including without limitation, California Labor Code sections 200-204, 218, 218.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1194, 1197, 1197.1, 1198, 2800, 2802, 2698, et seq., California Industrial Commission Wage Orders, Cal. Code Regs., Title 8, section 11040, et seq., and Business and Professions Code sections 17200, et seq., California Code of Civil Procedure section 1021.5, and including all claims for or related to alleged unpaid wages, minimum wages, hours worked, overtime or double time wages, regular rate of pay, bonus and incentive pay, timely payment of wages during employment, timely payment of wages at separation, wage statements, payroll records and recordkeeping, unreimbursed business expenses, meal periods and meal period premiums, rest breaks and rest break premiums, failure to pay additional 401(k) benefits and/or deferred compensation benefits and/or matching benefits for payments received under the Settlement, unfair competition, unfair business practices, unlawful business practices, fraudulent business practices, class actions, representative actions, aggrieved party claims, declaratory relief, penalties of any nature (including but not limited to civil penalties, waiting-time penalties, and PAGA penalties), interest, fees, costs, as well as all other claims and allegations alleged in the Action (collectively "Released Class Claims") from February 23, 2018 through the date the Court finally approves the settlement ("Class Release Period"). Expressly excluded from the release are claims for retaliation, discrimination, unemployment insurance, disability, workers' compensation, and claims outside the Released Claims.

The claims to be released by PAGA Members include all claims arising during the PAGA Period seeking civil penalties under PAGA, that Plaintiff as proxy for the State of California and/or the LWDA, to the maximum extent permitted by law, and as a private attorney general acting on behalf of Plaintiff and the PAGA Members, asserted or could reasonably have asserted based on the facts alleged in the Action and/or the LWDA letter, including but not limited to all claims arising under the California Labor Code including, but not limited to, sections 200-204, 218, 218.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1194, 1197, 1197.1, 1198, 2800, 2802, 2698, et seq. as alleged in the Complaint, and the wage orders of the California Industrial Welfare Commission based the facts alleged in the Action (collectively "Released PAGA Claims"). The Settlement shall release and bar all Released PAGA Claims by or on behalf of Plaintiff and all PAGA Members through the date the Court finally approves the Settlement ("PAGA Release Period") and for the entire PAGA Release Period, regardless of whether Plaintiff and/or a PAGA Member negotiates (cashes) their/his/her settlement checks sent pursuant to this Settlement and regardless of whether any such PAGA Member opts out or attempts to exclude himself or herself from the Settlement.

E. Resolution of Workweek Disputes

If a Class Member or PAGA Member disputes the accuracy of Defendant's records as to the number of workweeks or pay periods worked, any documentation supporting such dispute must be submitted to the Settlement Administrator. All workweek and pay period disputes will be resolved and decided by the Settlement Administrator, and the Settlement Administrator's decision on all disputes will be final and binding.

F. Enhancement Award for the Class Representative

Subject to approval by the Court, the Class Representative will receive an Enhancement Award up to \$7,500. This payment will be made for her service as a Class Representative, including active participation in prosecution of the Action, as well as willingness

to accept the risk of incurring Class Counsel's costs or paying Defendant's attorneys' fees and costs for an unsuccessful outcome in the Action. The Class Representative also signed a general release of all claims, which is broader than the release applicable to all other Class Members, to be eligible for the Enhancement Award.

G. Attorneys' Fees and Costs

As consideration for the Settlement and in exchange for the release by the Settlement Class, Defendant agrees to pay Class Counsel's attorneys' fees and costs to be set by the Court, up to a maximum of thirty-eight percent (38%) of the Maximum Settlement Amount which equals \$475,000, and attorneys' costs not to exceed \$25,000. Class Counsel's attorneys' fees and costs will be paid and deducted from the Maximum Settlement Amount.

III. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER

A. Excluding Yourself from Class Action Portion of the Settlement

If you do not wish to participate in the Settlement, you may be excluded from being a Class Member (*i.e.*, "opt out") by submitting a timely written request to the Settlement Administrator stating you have received notice of the Settlement, decided not to participate in the Settlement, and desire to be excluded from the Settlement, or words to that effect ("Request for Exclusion"). Your Request for Exclusion must also state your full name, address, date of birth, and dates you were employed by Defendant as a non-exempt employee in California. The Request for Exclusion must be signed, dated and mailed by First-Class U.S. Mail, or the equivalent, to:

[SETTLEMENT ADMINISTRATOR CONTACT]

Telephone: _____

The Request for Exclusion must be postmarked no later than [RESPONSE DEADLINE]. If you submit a Request for Exclusion which is not postmarked by [RESPONSE DEADLINE], your Request for Exclusion will be rejected, and you will be bound by the Release and all other Settlement terms. If the Request for Exclusion is sent from within the United States, it must be sent through the United States Postal Service by First-Class Mail, or the equivalent. Do not use a postage meter as that may not result in a postmark appearing on the envelope containing your Request for Exclusion. Please note you may only exclude yourself from the class action settlement and not from the PAGA Settlement.

Any person who submits a complete and timely Request for Exclusion shall, upon receipt by the Settlement Administrator, no longer be a Class Member, shall be barred from participating in any portion of the Settlement, shall not be entitled to object to the Settlement, shall receive no benefits from the Settlement, shall not be deemed to have relinquished the Released Claims against the Released Parties, and, at his or her own expense, may pursue any claims he or she may have against the Released Parties.

B. Objection to Class Action Portion of the Settlement

If you do not exclude yourself from the Settlement, you can object to the terms of the Settlement before Final Approval. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. To object, you may file a written objection and a notice of intention to appear at the Final Approval hearing currently set for [FINAL APPROVAL TIME], [FINAL APPROVAL DATE] in Department 22 of the Sacramento County Superior Court. You must file the written objection and notice of intention to appear at the Final Approval Hearing with the Office of the Clerk of the Sacramento County Superior Court, 720 Ninth Street, Sacramento, California 95814, and send copies to the Settlement Administrator, and Counsel as follows:

CLASS COUNSEL

Arby Aiwanian
Joanna Ghosh
Brian J. St. John
LAWYERS for JUSTICE, P.C.
410 West Arden Avenue, Suite 203
Glendale, California 91203

DEFENDANT'S COUNSEL

Cary G. Palmer
Erika M. Barbara
JACKSON LEWIS P.C.
400 Capitol Mall, Suite 1600
Sacramento, CA 95814

Any written objection must state each specific reason in support of your objection and any legal support for each objection. Your objection must also state your full name, address, date of birth, and dates you were employed as a non-exempt employee in California by Defendant. To be valid and effective, any objections to approval of the Settlement must be filed with the Clerk of the Court, Sacramento County Superior Court, 720 Ninth Street, Sacramento, California 95814, and delivered to the Settlement Administrator and each of the above-listed attorneys no later than sixty (60) calendar days after the Settlement Administrator mails this Class Notice to the Class Members. **DO NOT TELEPHONE THE COURT.**

However, a Class Member may appear at the Final Approval Hearing, either in person or through their own counsel, and object to the Settlement and any of its terms without submitting a prior objection in the manner and by the deadline specified above. If you choose to file an objection to the terms of this Settlement, you may enter an appearance *in propria persona* (meaning you choose to represent yourself) or through your own attorney at your own expense. To do so, you must file an Entry of Appearance with the Clerk of the Sacramento County Superior Court, and deliver copies to the Settlement Administrator and each of the attorneys listed above. Such Entry of Appearance must be filed with the Court and delivered to the above attorneys no later than sixty (60) days after the Settlement Administrator mails this Class Notice to Class Members. You will then continue as a Class Member either *in propria persona* or with representation by your own attorney, and you will be solely responsible for the fees and costs of your own attorney. The final fairness hearing at which the Court will be asked to approve the Settlement will be at [FINAL APPROVAL TIME] (Pacific Time) on [FINAL APPROVAL DATE], in Department 22, Superior Court of the State of California for the County of Sacramento, 720 Ninth Street, Sacramento, California 95814, or such other later date as the Court may authorize.

You may also learn more about making a remote appearance in this matter by reviewing the webpage located at <https://www.saccourt.ca.gov/general/coronavirus.aspx>

IV. EFFECT OF THE SETTLEMENT: RELEASED RIGHTS AND CLAIMS

Upon Final Approval being granted by the Court, each and every Class Member, who does not opt out of the Settlement, will release Defendant and the Released Parties from the Released Class Claims as described above. In other words, if you were employed as a Class Member by Defendant in California during the Class Period, and you do not exclude yourself from the Settlement Class, you will be deemed to have entered into this release and to have released the above-described Released Claims. Further, each and every PAGA Member will release Defendant and the Released Parties from the Released PAGA Claims. In addition, you will be barred from ever suing Defendant and the Released Parties with respect to the Released Class Claims and the Released PAGA Claims covered by this Settlement. If the Settlement is not approved by the Court or does not become final for some other reason, the litigation will continue.

V. FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a hearing in Department 22 of the Superior Court of the State of California in and for the County of Sacramento, 720 Ninth Street, Sacramento, California 95814, on [FINAL APPROVAL DATE], at [FINAL APPROVAL TIME] (Pacific Time), to determine whether the Settlement should be finally approved as fair, reasonable and adequate. The Court also will be asked to approve Class Counsel's request for attorneys' fees and costs, the costs of administration, and the Enhancement Award to be paid to the Class Representative. Class Counsel's application for attorneys' fees and litigation costs will be on file with the Court no later than [MFA FILING DATE], and will be available for review after that date. Class Counsel are seeking approval of a total of not more than thirty-eight percent (38%) of the Settlement for attorneys' fees, which equals \$475,000, and not more than \$25,000 for attorneys' costs.

The hearing may be continued without further notice to the Settlement Class. It is not necessary for you to appear at this hearing, unless you wish to object to the Settlement.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you should consult the detailed Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiffs and Defendant ("Settlement Agreement") which is on file with the Clerk of the Court. The pleadings and other records in this Action, including the Settlement Agreement, may be examined at any time during regular business hours at the Office of the Clerk of the Sacramento County Superior Court, at 720 Ninth Street, Sacramento, California 95814. You may also visit [www.\[Settlement Administrator Website\]](http://www.settlementadministrator.com), which will include links to the Settlement Agreement, Class Notice, Motions for Preliminary and Final Approval, and Motion for Attorneys' Fees as they become available.

If you want additional information about this lawsuit and its proceedings, you can contact Class Counsel:

Arby Aiwarzian	Telephone: (818) 265-1020
Joanna Ghosh	Facsimile: (818) 265-1021
Brian J. St. John	E-mail: arby@calljustice.com
LAWYERS for JUSTICE, P.C.	E-mail: joanna@calljustice.com
410 West Arden Avenue, Ste 203	E-mail: brian@calljustice.com
Glendale, California 91203	

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR

**INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS.
BY ORDER OF THE SUPERIOR COURT**

EXHIBIT 2

Arby Aiwazian (SBN 269827)
Joanna Ghosh (SBN 272479)
Brian J. St. John (SBN 304112)
LAWYERS *for* JUSTICE, P.C.
410 West Arden Avenue, Suite 203
Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021

Attorneys for Plaintiff
THERESA PELEGRINO, individually, and
on behalf of other members of the general public
similarly situated

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

THERESA PELEGRINO, individually, and
on behalf of other members of the general public
similarly situated,

Plaintiff,

vs.

SACRAMENTO CHILDREN'S HOME,
a California corporation; and DOES 1
through 100, inclusive,

Defendants.

Case No. 34-2022-00315912

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: June 28, 2024
Time: 9:00 a.m.
Dept.: 28
Judge: Lauri A. Damrell

Complaint Filed: 2/23/2022
Trial Date: Not Set

1 Plaintiff Theresa Pelegrino’s Motion for Preliminary Approval of Class Action and PAGA
2 Settlement (“Motion”) came before this Court on June 28, 2024, in Department 22 before the
3 Honorable Lauri A. Damrell, presiding. Lawyers *for* Justice, PC appears as counsel for Plaintiff
4 Theresa Pelegrino (“Plaintiff”), individually and on behalf of all others similarly situated and
5 other aggrieved employees and Jackson Lewis P.C. appears as counsel for Defendant Sacramento
6 Children’s Home (“Defendant”). The Court having considered the papers submitted in support of
7 the Motion and good cause appearing therefor,

8 IT IS HEREBY ORDERED:

9 1. The Court grants preliminary approval of the Settlement and the Settlement Class
10 based upon the terms set forth in the Joint Stipulation of Class Action and PAGA Settlement and
11 Release Between Plaintiff and Defendant (“Stipulation of Settlement”) filed with the Motion. All
12 terms used herein shall have the same meaning as defined in the Stipulation of Settlement.

13 2. The settlement set forth in the Stipulation of Settlement appears to be fair, adequate
14 and reasonable to the Class. The Settlement falls within the range of reasonableness and appears
15 to be presumptively valid, subject only to any objections that may be raised at the final fairness
16 hearing and final approval by this Court.

17 3. The Court hereby grants Plaintiff leave to file the [Proposed] First Amended Class
18 Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, Cal.
19 Labor Code § 2698, Et Seq. (“First Amended Complaint”) which is attached hereto as “**EXHIBIT**
20 **A.**” The First Amended Complaint shall be deemed filed as of the date of the entry of this Order,
21 and shall be the operative complaint in the Action for purposes of Settlement, including the release
22 of claims. Defendant shall not be required to file any response to the First Amended Complaint.
23 Defendant’s current operative answer shall be deemed the answer to the First Amended Complaint.

24 4. A final fairness hearing on the question of whether the proposed Settlement,
25 attorneys’ fees to Class Counsel, costs of administration, and Class Representative’s Enhancement
26 Award should be finally approved as fair, reasonable and adequate as to the members of the Class
27 is scheduled in Department 22 on the date and time set forth in the Implementation Schedule in
28 Paragraph 11 below.

1 5. This Court approves, as to form and content, the Notice of Proposed Class Action
2 Settlement and Hearing Date for Final Court Approval of Settlement (“Class Notice”), which is
3 attached hereto as “**EXHIBIT B**”. The Court approves the procedure for Class Members to opt
4 out of and to object to the Settlement as set forth in the Stipulation of Settlement and Class Notice.

5 6. The Court directs the mailing of the Class Notice by first-class mail to the Class
6 Members in accordance with the Implementation Schedule set forth in Paragraph 10 below. The
7 Court finds the dates selected for the mailing and distribution of the Class Notice, as set forth in the
8 Implementation Schedule, meet the requirements of due process and provide the best notice
9 practicable under the circumstances and shall constitute due and sufficient notice to all persons
10 entitled thereto.

11 7. It is ordered that the Settlement Class, defined as all persons employed by Defendant
12 in California as a non-exempt employee during the during the Class Period, is preliminarily
13 certified for settlement purposes only.

14 8. The Court confirms Plaintiff Theresa Pelegrino as Class Representative, and Arby
15 Aiwazian, Joanna Ghosh, and Brian J. St. John of Lawyers for Justice, PC as Class Counsel.

16 9. The Court confirms the appointment of the Settlement Administrator.

17 10. To facilitate administration of the Settlement pending final approval, the Court
18 hereby enjoins Plaintiff and all Class Members from filing or prosecuting any claims, suits or
19 administrative proceedings (including filing claims with the Division of Labor Standards
20 Enforcement of the California Department of Industrial Relations) regarding claims released by the
21 Settlement, unless and until such Class Members have filed valid Requests for Exclusion with the
22 Settlement Administrator and the time for opting out of the class has elapsed.

23 11. The Court orders the following Implementation Schedule for further proceedings:

24 a.	Deadline for Defendant to Submit Class Member and PAGA Member Information to Settlement Administrator	30 calendar days after Order Granting Preliminary Approval
25 b.	Deadline for Settlement Administrator to Mail Class Notice to Class Members and PAGA Members	45 calendar days after Order Granting Preliminary Approval

c.	Deadline for Class Members to Postmark Requests for Exclusion	60 calendar days after mailing of Class Notice
d.	Deadline for Defendant to provide written Notice of Rescission of Settlement to Class Counsel (if applicable)	14 calendar days after the opt-out deadline
e.	Deadline for Receipt by Court, Settlement Administrator, and Counsel of any Objections to Settlement	60 calendar days after mailing of Class Notice
f.	Deadline for Class Counsel to file Motion for Final Approval of Settlement, including Request for Attorneys' Fees and Costs, and Enhancement Awards	16 Court days before Final Approval Hearing
g.	Deadline for Settlement Administrator to file Declaration of Due Diligence and Proof of Mailing	16 Court days before Final Approval Hearing
h.	Final Fairness Hearing and Final Approval	Date: _____, 2022 Time: _____ Department: _____
i.	Deadline for Defendant to fund settlement	30 calendar days after Effective Date
j.	Deadline for Settlement Administrator to mail Settlement Awards and Enhancement Award, and to wire transfer Attorneys' Fees and Costs (if Settlement is Effective)	35 calendar days after Effective Date
k.	Deadline for Class Members and PAGA Members to cash Settlement checks (if Settlement is Effective)	180 calendar days after Settlement Administrator mails Settlement Awards and Enhancement Award
l.	Deadline for Settlement Administrator to distribute uncashed Settlement checks amount to <i>cy pres</i> beneficiary (if Settlement is Effective)	14 calendar days after deadline for class members to cash Settlement checks
m.	Settlement Administrator to File Proof of Payment of Settlement Awards, Enhancement Award, Attorneys' Fees and Costs, <i>cy pres</i> payment, and payment to LWDA (if Settlement is Effective)	21 calendar days after deadline for Settlement Administrator to pay any unclaimed residue from uncashed Settlement checks to <i>cy pres</i> beneficiary

1 12. The Settlement is not a concession or admission, and shall not be used against
2 Defendant as an admission or indication with respect to any claim of any fault or omission by
3 Defendant. Whether or not the Settlement is finally approved, neither the Settlement, nor any
4 document, statement, proceeding or conduct related to the Settlement, nor any reports or accounts
5 thereof, shall in any event be construed as, offered or admitted into evidence as, received as or
6 deemed to be in evidence for any purpose adverse to the Defendant, including, but not limited to,
7 evidence of a presumption, concession, indication or admission by Defendant of any liability, fault,
8 wrongdoing, omission, concession, or damage, except for legal proceedings concerning the
9 implementation, interpretation, or enforcement of the Settlement.

10 13. In the event the Settlement does not become effective in accordance with the terms
11 of the Settlement Agreement, or the Settlement is not finally approved, or is terminated, cancelled
12 or fails to become effective for any reason, this Order shall be rendered null and void, shall be
13 vacated, and the Parties shall revert back to their respective positions as of before entering into the
14 Settlement Agreement.

15 14. The Court reserves the right to adjourn or continue the date of the Final Approval
16 Hearing and any dates provided for in the Settlement Agreement without further notice to the Class
17 Members and PAGA Members, and retains jurisdiction to consider all further applications arising
18 out of or connected with the Settlement.

19 **IT IS HEREBY ORDERED.**

20 Dated: _____, 2024

21 _____
22 Judge of the Superior Court
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EXHIBIT 3

EDWIN AIWAZIAN (SBN 232943)
edwin@calljustice.com
MELISSA A. LEBLANC (SBN 283080)
m.leblanc@calljustice.com
LAWYERS for JUSTICE, P.C.
410 West Arden Avenue, Suite 203
Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021

Attorneys for Plaintiff
THERESA PELEGRINO, individually, and
on behalf of other members of the general public
similarly situated

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SACRAMENTO

THERESA PELEGRINO, individually, and
on behalf of other members of the general public
similarly situated,

Plaintiff,

vs.

SACRAMENTO CHILDREN'S HOME,
a California corporation; and DOES 1
through 100, inclusive,

Defendants.

Case No. 34-2022-00315912

**[PROPOSED] ORDER GRANTING
FINAL APPROVAL OF CLASS ACTION
AND PAGA SETTLEMENT**

Date:
Time:
Dept.:
Judge:

Complaint Filed: 2/23/2022
Trial Date: Not Set

The above-referenced Class and Representative PAGA action ("Action") having come before the Court on [REDACTED], in Department [REDACTED] before the Honorable [REDACTED], presiding for a hearing and Order Granting Final Approval of Class Action and PAGA Settlement and Judgment ("Final Order"), consistent with the Court's Preliminary Approval Order ("Preliminary Approval Order"), filed and entered [REDACTED], and as set forth in the Joint Stipulation of Class Action and PAGA Settlement and Release Between Plaintiff and Defendant ("Stipulation of Settlement") in this Action, and due and adequate notice having been given to all Class Members and PAGA Members as required in the Preliminary Approval Order, and the Court

1 having considered all papers filed and proceedings had herein and otherwise being fully informed,
2 and good cause appearing therefor,

3 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED:**

4 1. All terms used herein shall have the same meaning as defined in the Stipulation of
5 Settlement.

6 2. Consistent with the definitions provided in the Stipulation of Settlement, the terms
7 “Settlement Class” and “Class Members” shall mean the following: all persons employed by
8 Defendant in California as a non-exempt employee from February 23, 2018 through
9 . The Settlement Class, however, shall not include any person who previously
10 settled or released the claims covered by this Settlement, or any person who previously was paid
11 or received awards through civil or administrative actions for the claims covered by this Settlement,
12 or any person who submitted a timely and valid Request for Exclusion as provided in this
13 Settlement. The “Class Period” shall be February 23, 2018 through . All Class
14 Members who worked any hours for Defendant in California during any pay period from February
15 23, 2021 through are aggrieved employees with respect to the California
16 Private Attorneys General Act (“PAGA”) (“PAGA Members”), and will be paid their PAGA Share
17 and release the Released PAGA Claims regardless of whether they submit a timely and valid
18 Request for Exclusion from the Settlement. PAGA Members are not eligible to exclude themselves
19 from, or to opt out of, the Released PAGA Claims (defined below). For purposes of the Settlement
20 and this Final Order, “Released Parties” as referenced herein and as released in the Settlement shall
21 collectively mean: (i) Defendant; (ii) each of Defendant’s respective past, present and future
22 parents, subsidiaries, and affiliates including, without limitation, any corporation, limited liability
23 company, or partnership; (iii) the past, present and future board members, directors, officers,
24 agents, employees, attorneys, insurers, members, partners, managers, contractors, agents,
25 consultants, representatives, administrators, fiduciaries, benefit plans, transferees, predecessors,
26 successors, and assigns of any of the foregoing; and (iv) any individual or entity which could be
27 jointly liable with any of the foregoing, including, but not limited to, temporary agencies.

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2 3. This Court has jurisdiction over the subject matter of this Action and over all Parties
3 to this Action, including all Class Members and PAGA Members.

4 4. Distribution of the Class and PAGA Notice directed to the Class Members and
5 PAGA Members as set forth in the Stipulation of Settlement and the other matters set forth therein
6 has been completed in conformity with the Preliminary Approval Order, including notice to all
7 Class Members and PAGA Members who could be identified through reasonable effort, and is the
8 best notice practicable under the circumstances. The Class and PAGA Notice provided due and
9 adequate notice of the proceedings and of the matters set forth therein, including the proposed
10 Settlement set forth in the Stipulation of Settlement, to all persons entitled to such Class and PAGA
11 Notice, and the Class and PAGA Notice fully satisfied the requirements of due process. All Class
12 Members, PAGA Members, Released Class Claims, and all Released PAGA Claims, are covered
13 by and included within the Settlement and this Final Order.

14 5. The Court hereby finds the Settlement was entered into in good faith pursuant to and
15 within the meaning of California Code of Civil Procedure section 877.6. The Court further finds
16 that the Settlement is fair, adequate and reasonable and that Plaintiff has satisfied the standards and
17 applicable requirements for final approval of this class action Settlement under California
18 law, including the provisions of California Code of Civil Procedure section 382 and Federal Rule
19 of Civil Procedure 23, approved for use by the California state courts in *Vasquez v. Superior Court*
20 (1971) 4 Cal.3d 800, 821.

21 6. The Court hereby approves the Settlement set forth in the Stipulation of Settlement
22 and finds that the Settlement is, in all respects, fair, adequate and reasonable, and directs the Parties
23 to effectuate the Settlement according to its terms. The Court finds that the Settlement has been
24 reached as a result of intensive, serious and non-collusive arms-length negotiations. The Court
25 further finds that the Parties have conducted extensive investigation and research, and counsel for
26 the Parties are able to reasonably evaluate their respective positions. The Court also finds that
27 Settlement at this time will avoid additional substantial costs, as well as avoid the delay and risks
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1 that would be presented by the further prosecution of the Action. The Court has reviewed the
2 benefits that are being granted as part of the Settlement and recognizes the significant value to the
3 Class Members and PAGA Members. The Court also finds that the Class is properly certified as a
4 class for settlement purposes only.

5 7. As of the date of entry of this Final Order, each and every Released Claim
6 (as defined in the Stipulation of Settlement and set forth below) of each and every Class Member
7 is and shall be deemed to be conclusively released as against the Released Parties. As of the date
8 of this Final Order, the Class Representative and each and every Class Member who have not
9 submitted a valid Request for Exclusion are hereby released and forever barred and enjoined from
10 prosecuting the Released Claims, except as to such rights or claims as may be created by the
11 Settlement, against Defendant and the Released Parties from any and all claims under state, federal
12 and local law ultimately alleged in this Action and that reasonably could have been alleged in this
13 Action based on the factual allegations contained in the operative Complaint in this Action and any
14 amendments thereto, as to the Class Members, including without limitation, California Labor Code
15 sections 200-204, 218, 218.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1194, 1197, 1197.1, 1198,
16 2800, 2802, 2698, *et seq.*, California Industrial Commission Wage Orders, Cal. Code Regs.,
17 Title. 8, section 11040, *et seq.*, and Business and Professions Code sections 17200, *et seq.*,
18 California Code of Civil Procedure section 1021.5, and including all claims for or related to alleged
19 unpaid wages, minimum wages, hours worked, overtime or double time wages, regular rate of pay,
20 bonus and incentive pay, timely payment of wages during employment, timely payment of wages
21 at separation, wage statements, payroll records and recordkeeping, unreimbursed business
22 expenses, meal periods and meal period premiums, rest breaks and rest break premiums, failure to
23 pay additional 401(k) benefits and/or deferred compensation benefits and/or matching benefits for
24 payments received under the Settlement, unfair competition, unfair business practices, unlawful
25 business practices, fraudulent business practices, class actions, representative actions, aggrieved
26 party claims, declaratory relief, penalties of any nature (including but not limited to civil penalties,
27 waiting-time penalties, and PAGA penalties), interest, fees, costs, as well as all other claims and
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1 allegations alleged in the Action (collectively “Released Class Claims”). Expressly excluded from
2 the release are claims for retaliation, discrimination, unemployment insurance, disability, workers’
3 compensation, and claims outside the Released Class Claims. The release of claims shall not
4 include any claims that cannot be released as a matter of law. In addition, as of the date of this Final
5 Order, the Class Representative and the Settlement Class, and each member of the Class who has
6 not submitted a valid Request for Exclusion, are forever barred and enjoined from instituting or
7 accepting damages or obtaining relief against the Released Parties for any period from February
8 23, 2018 through the date of this Final Order, relating to the Released Claims.

9 8. As of the date of entry of this Final Order, the claims to be released by the PAGA
10 Members include all claims arising during the PAGA Period seeking civil penalties under PAGA,
11 that Plaintiff as proxy for the State of California and/or the LWDA, to the maximum extent
12 permitted by law, and as a private attorney general acting on behalf of Plaintiff and the PAGA
13 Members, asserted or could reasonably have asserted based on the facts alleged in the Action and/or
14 the LWDA letter, including but not limited to all claims arising under the California Labor Code
15 including, but not limited to, sections 200-204, 218, 218.5, 226, 226.3, 226.7, 510, 512, 558, 1174,
16 1194, 1197, 1197.1, 1198, 2800, 2802, 2698, *et seq.* as alleged in the Complaint, and the wage
17 orders of the California Industrial Welfare Commission based the facts alleged in the Action
18 (collectively “Released PAGA Claims”). The Settlement shall release and bar all Released PAGA
19 Claims by or on behalf of Plaintiff and all PAGA Members through the date of this Final Order
20 (“PAGA Release Period”), and for the entire PAGA Release Period, regardless of whether Plaintiff
21 and/or a PAGA Member negotiates (cashes) their/his/her settlement checks sent pursuant to the
22 Settlement, and regardless of whether any such PAGA Member opts out or attempts to exclude
23 himself or herself from the Settlement.

24 9. Neither the Settlement nor any of the terms set forth in the Stipulation of Settlement
25 is an admission by Defendant, or any of the other Released Parties, nor is this Final Order a finding
26 of the validity of any claims in this Action, or of any wrongdoing by Defendant or any of the other
27 Released Parties. Neither this Final Order, the Stipulation of Settlement, nor any document referred
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1 to herein, nor any action taken to carry out the Stipulation of Settlement, may be construed as, or
2 may be used as, an admission by or against Defendant, or any of the other Released Parties, of any
3 fault, wrongdoing or liability whatsoever. The entering into or carrying out of the Stipulation of
4 Settlement, and any negotiations or proceedings related thereto, shall not in any event be construed
5 as, or deemed to be evidence of, an admission or concession with regard to the denials or defenses
6 by Defendant, or any of the other Released Parties, and shall not be offered in evidence in any
7 action or proceeding in any court, administrative agency or other tribunal for any purpose
8 whatsoever other than to enforce the provisions of this Final Order, the Stipulation of Settlement,
9 the Released Class Claims, the Released PAGA Claims, and any related agreement or release.
10 Notwithstanding these restrictions, any of the Released Parties may file in this Action, or submit in
11 any other proceeding, the Final Order, the Stipulation of Settlement, and any other papers and
12 records on file in this Action as evidence of the Settlement to support a defense of *res judicata*,
13 *collateral estoppel*, release, or other theory of claim or issue preclusion or similar defense as to the
14 Released Class Claims and the Released PAGA Claims.

15 10. The Court hereby enters judgment in the entire Action as of the filing date of this
16 Final Order, pursuant to the terms set forth in the Stipulation of Settlement. Without affecting the
17 finality of this Final Order in any way, the Court hereby retains continuing jurisdiction over the
18 interpretation, implementation and enforcement of the Settlement and all orders entered in
19 connection therewith pursuant to California Code of Civil Procedure section 664.6.

20 11. The Court finds the settlement payments provided for under the Settlement to be fair
21 and reasonable in light of all of the circumstances. The Court orders the calculations and the
22 payments to be made and administered in accordance with the terms of the Settlement.

23 12. The Court hereby confirms Edwin Aiwazian and Melissa A. LeBlanc of Lawyers
24 for Justice, PC as Class Counsel in this Action.

25 13. The Court further finds that the common fund doctrine is applicable to this Action
26 because there is a sufficiently identifiable class of beneficiaries (the Class), the benefits can be
27 accurately traced to the Settlement that Plaintiff and Class Counsel negotiated on behalf of the
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1 Class, and the fee can be shifted with exactitude to those benefiting as the fee request is a specific,
2 lump-sum percentage of the common fund. *See Serrano v. Priest* (1977) 20 Cal.3d 25, 34-35. The
3 Court finds the attorneys' fees request of thirty-eight percent (38%) of the common fund to be
4 appropriate compensation for Class Counsel. The attorneys' fees request is within the range that
5 has been approved by other courts in similar cases and reasonable in light of the circumstances of
6 this Action, the substantial and beneficial results obtained on behalf of the Class, and the contingent
7 nature of the recovery over the course of this Action, which included potential loss at summary
8 judgment, certification and/or trial proceedings. Pursuant to the terms of the Settlement, and the
9 authorities, evidence and argument submitted by Class Counsel, the Court hereby awards Class
10 Counsel attorneys' fees in the amount of \$475,000.00 and attorneys' costs in the amount of
11 \$25,000, from the Gross Settlement Amount as final payment for and complete satisfaction of any
12 and all attorneys' fees and costs incurred by and/or owed to Class Counsel and any other person or
13 entity related to this Action. The Court further orders that the award of attorneys' fees and costs set
14 forth in this Paragraph shall be administered pursuant to the terms of the Stipulation of Settlement
15 and made payable to and deposited into the bank account of "Lawyers for Justice, PC" as Class
16 Counsel in this Action.

17 14. The Court also hereby approves and orders payment of an Enhancement Award to
18 Plaintiff and Class Representative Theresa Pelegrino in the amount of \$7,500.00 from the Gross
19 Settlement Amount.

20 15. The Court also hereby approves and orders payment in the amount of \$75,000.00
21 from the Gross Settlement Amount for PAGA penalties, payable to the California Labor and
22 Workforce Development Agency.

23 16. The Court also hereby approves and orders payment from the Gross Settlement
24 Amount for actual claims administration expenses incurred by the Claims Administrator,
25 , in the amount of \$.

26 17. The Court also hereby approves and orders that any residue from uncashed
27 settlement award checks after the expiration date will be paid out to , as the
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1 cy pres recipient pursuant to California Code of Civil Procedure section 384(b); any residue
2 received by [REDACTED] shall be used solely for child advocacy programs within the State
3 of California pursuant to Code of Civil Procedure section 384(b).

4 18. The Court also hereby finds and orders that the Stipulation of Settlement is and
5 constitutes a fair, adequate and reasonable compromise of the Released Claims against Defendant
6 and the Released Parties.

7 19. Provided the Settlement becomes effective under the terms of the Stipulation of
8 Settlement, the Court also hereby orders that the deadline for mailing the Court-approved
9 Settlement Awards, attorneys' fees and costs, and Enhancement Award is as set forth in the
10 Implementation Schedule within the Preliminary Approval Order.

11 20. The Court also hereby finds that there were no objections to the Settlement raised
12 by any person on the record at the hearing on the Final Approval Order.

13 **IT IS SO ORDERED. LET JUDGMENT BE ENTERED ACCORDINGLY**

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15 Dated: _____

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17 Judge of the Superior Court
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EXHIBIT B

February 2, 2024

BY FILING ON THE CALIFORNIA LABOR & WORKFORCE DEVELOPMENT AGENCY'S ONLINE PAGA FILING SYSTEM

California Labor & Workforce Development Agency

Re: SACRAMENTO SCHILDREN'S HOME

Dear Representative:

We have been retained to represent Theresa Pelegrino against Sacramento Children's Home (including any and all affiliates, subsidiaries, and parents, and their shareholders, officers, directors, and employees) (collectively referred to as "SSCH") for violations of California wage-and-hour laws.

Ms. Pelegrino is the named plaintiff in Sacramento County Superior Court Case No. 34-2022-00315912, entitled *Theresa Pelegrino v. Sacramento Children's Home* ("Lawsuit"), which alleges that SCH violated multiple provisions of the California Labor Code. Attached hereto as "**Attachment A**" is the operative Complaint filed in the Lawsuit.

For all of the reasons set forth in the Complaint, asserted in the Lawsuit, and also those espoused herein, Ms. Pelegrino seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA") and all other remedies available under PAGA.

Ms. Pelegrino will seek penalties on behalf of the State of California and "aggrieved employees," as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

During the relevant time period, SCH employed Ms. Pelegrino as an hourly-paid, non-exempt employee in the State of California. The "aggrieved employees" that Ms. Pelegrino seeks penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for SCH within the State of California.

Based on the facts and theories in the Complaint, asserted in the Lawsuit, and also those espoused herein, SCH has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 200-204, 218, 218.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1194, 1197, 1197.1, 1198, 2800, 2802, 2698, and IWC Wage Orders.

SCH required aggrieved employees to perform work off-the-clock before their scheduled shifts, after their scheduled shifts, and during meal breaks, as well as to perform work during rest breaks, and as a result, SCH failed to properly compensate aggrieved employees for all time worked.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week, and/or more than six (6) consecutive days in one week, without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During the relevant time period, Ms. Pelegrino and other aggrieved employees worked in excess of 8 hours in a day, 40 hours in a week, and/or 6 days in a workweek. Therefore, Ms. Pelegrino and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked. SCH's failure to pay overtime wages also includes, and is not limited to, SCH's failure to properly calculate the regular rate of pay and failure to include earned commissions, non-discretionary bonuses, non-discretionary monetary and non-monetary incentives, non-discretionary production and/or performance pay, and/or shift differentials in its calculation of the regular rate of pay used to calculate the overtime rate for the payment of overtime wages. For example, SCH failed to compensate aggrieved employees at one-and-one half times the appropriate regular rate of pay, instead paying them only their base hourly rate, or at times less than that rate, for hours worked in excess of 8 hours in a day, 40 hours in a week, and/or 6 days in a workweek.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, SCH required Ms. Pelegrino and other aggrieved employees to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, inter alia, short, late, interrupted, and missed meal and rest periods. SCH required aggrieved employees to remain working through rest breaks, failed to relieve aggrieved employees of all duties and relinquish control over how they spent their meal and rest breaks, and failed to provide compliant meal periods. SCH also required aggrieved employees to remain on the work premises during rest breaks.

California Labor Code California Labor Code sections 1194, 1197 and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, SCH did not provide Ms. Pelegrino and other aggrieved employees with the minimum wages to which they were entitled for work performed "off-the-clock." For example, SCH effectively paid of zero dollars per hour for time Ms. Pelegrino and the other aggrieved employees worked off-the-clock performing work duties, which resulted in an underpayment of minimum wages to Ms. Pelegrino and other aggrieved employees.

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. During the relevant time period, SCH failed to pay Ms. Pelegrino and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202. California Labor Code section 203 provides that if an employer willfully fails to pay the wages of an employee who is discharged or quits, the wages of the employee will continue as a penalty from the day due at the same rate until paid or until an action is commenced. During the relevant time period, SCH willfully failed to pay the wages due to Ms. Pelegrino and other aggrieved employees who were discharged or quit, and also failed to pay

penalties which accrued due to its willful failure to timely pay wages. For example, Ms. Pelegrino and other aggrieved employees were not paid at the time of their discharge wages earned and unpaid throughout their employment, including but not limited to, minimum wages for time worked off-the-clock to perform work duties and for meal and rest period premium payments.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, SCH failed to pay Ms. Pelegrino and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204. For example, Ms. Pelegrino and other aggrieved employees were not timely paid wages during their employment, including but not limited to, minimum wages for time worked off-the-clock to perform work duties and for meal and rest period premium payments.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, SCH did not provide Ms. Pelegrino and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from SCH were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Ms. Pelegrino and other aggrieved employees. For example, Defendant failed to account for and compensate for all time worked “off-the-clock,” and as a result, it failed to provide complete and accurate wage statements. Under California Labor Code Section 226.3, any employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage deduction statement or fails to keep the records required in subdivision (a) of Section 226 in addition to any other penalty provided by law.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day’s rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars (\$50) for each aggrieved employee per pay period for the initial violation and one hundred dollars (\$100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Ms. Pelegrino and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Ms. Pelegrino and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Ms. Pelegrino and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Ms. Pelegrino and the aggrieved employees accumulated

days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, SCH failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages paid, to Ms. Pelegrino and other aggrieved employees. For example, Defendant failed to account for and compensate for all time worked "off-the-clock," and as a result, it failed to keep accurate and complete payroll records.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Ms. Pelegrino and other aggrieved employees incurred necessary business-related expenses and costs that were not reimbursed by SCH.

Therefore, on behalf of all aggrieved employees, Ms. Pelegrino seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, and facts set forth in the attached Complaint and asserted in the Lawsuit, which could be assessed and collected by the Labor and Workforce Development Agency for violation of the California Labor Code, pursuant to PAGA, including civil penalties pursuant to Labor Code section 558.

If you have any questions or require additional information, please do not hesitate to contact us.

With kind regards,

A handwritten signature in blue ink, appearing to read "Brian J. St. John".

Brian J. St. John, Esq.

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

Sacramento Children's Home
c/o Cary Palmer
Jackson Lewis P.C.
Attorney
400 Capitol Mall, Suite 1600
Sacramento, CA 95814

EXHIBIT C

LAWYERS for JUSTICE PC CASE COST DETAIL
Pelegirino v. Sacramento Children's Home

<u>Date</u>	<u>Payee</u>	<u>Expense Description</u>	<u>Amount</u>
11/29/2021	U.S. Postmaster	Postage	\$7.38
1/26/2023	Legal Document Server, Inc.	Attorney Service	\$192.50
1/26/2023	Sacramento Superior Court	Complex Filing Fee	\$1,000.00
10/27/2022	Sacramento Superior Court	Document Download Fee	\$4.00
11/21/2022	Legal Document Server, Inc.	Attorney Service	\$125.00
11/21/2022	Legal Document Server, Inc.	Attorney Service	\$45.00
2/23/2022	Legal Document Server, Inc.	Attorney Service	\$198.16
2/23/2022	Sacramento Superior Court	Complaint Filing Fee	\$435.00
3/30/2022	Legal Document Server, Inc.	Attorney Service	\$120.00
5/25/2022	Legal Document Server, Inc.	Attorney Service	\$120.00
Total:			<u>\$2,247.04</u>