HAINES LAW GROUP, APC
Paul K. Haines (SBN 248226)
phaines@haineslawgroup.com
Fletcher W. Schmidt (SBN 286462)
fschmidt@haineslawgroup.com
Andrew J. Rowbotham (SBN 301367)
arowbotham@haineslawgroup.com
2155 Campus Drive, Suite 180
El Segundo, California 90245
Tel: (424) 292-2350
Fax: (424) 292-2355
Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

GUADALUPE SANCHEZ, as an individual and on behalf of all others similarly situated,

Plaintiff,

vs.

B & J, LLC, a California Limited Liability Company; and DOES 1 through 100,

Defendants.

CASE NO. CVRI2400579

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

DECLARATION OF ANDREW J. ROWBOTHAM IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA ACTION SETTLEMENT

Date: May 28, 2025
Time: 8:30 AM
Dept.: 1

Action Filed: February 2, 2024
Trial Date: None Set

DECLARATION OF ANDREW J. ROWBOTHAM

I, Andrew J. Rowbotham, declare as follows:

1. I am a Partner at the Haines Law Group, APC, and counsel for named Plaintiff Guadalupe Sanchez ("Plaintiff") in the above-captioned matter. I am a member in good standing of the bar of the State of California and am admitted to practice in this Court. I have personal knowledge of the facts stated in this declaration and could testify competently to them if called upon to do so.

2. I am a 2014 graduate of Pepperdine University School of Law and was admitted to the California State Bar in December 2014. Since that time, I have practiced exclusively in the area of plaintiff's employment litigation. From October 2014 to May 2015, I worked as an associate at the Mesriani Law Group, an employment law firm in Santa Monica, California. The vast majority of my work focused on representing employees in wage and hour and wrongful termination actions. Although non-exhaustive, the type of work I performed included: conducting client intakes; performing pre-filing research and analysis; drafting complaints and letters to the Labor & Workforce Development Agency; attending court hearings; corresponding with opposing counsel; drafting and responding to written discovery; analyzing payroll and timekeeping records and employee handbooks; drafting complaints and mediation briefs; attending mediations; and drafting long-form settlement agreements.

3. Since April 2016, I have worked at my current firm, Haines Law Group, APC. I am currently involved with approximately fifty (50) active wage and hour class actions, including a number of "hybrid" actions asserting nationwide wage and hour claims under the Fair Labor Standards Act, as well as California-specific claims under Rule 23 of the Federal Rules of Civil Procedure.

4. The following is a non-exhaustive list of wage and hour class actions (which have been granted final approval) in which I have been named as Class Counsel:

- *Rodriguez v. Spartan, Inc.*, Case No. BCV-15-100007-DRL, California Superior Court, County of Kern, Honorable David R. Lampe, presiding;

- *Tapper v. Squad Security CA, Inc.*, Case No. BC607241, California Superior Court, County of Los Angeles, Honorable John Shepard Wiley Jr., presiding;
- *Nieves v. Ta Chen International, Inc.,* Case No. BC609005, California Superior Court, County of Los Angeles, Honorable Kenneth R. Freeman, presiding;
- *Mansilla v. Haeco Americas Line Services, LLC,* Case No. BC615310, California Superior Court, County of Los Angeles, Honorable Elihu M. Berle, presiding;
- *Rodriguez v. Mersen USA Oxnard-CA Inc.*, Case No. 56-2015-00471031-CU-OE-VTA, California Superior Court County of Ventura, Honorable Kent M. Kellegrew, presiding;
- *Khosravi v. Enterprise Rent-A-Car Company of Los Angeles, LLC*, Case No. 30-2016-00829923-CU-OE-CXC, Superior Court of California, County of Orange, Honorable Thierry Patrick Colaw presiding;
- *De Loera v. Pharmaceutic Litho & Label Company, Inc.*, Case No. 56-2016-00479931-CU-OE-VTA, Superior Court of California, County of Ventura, Honorable Kent M. Kellegrew presiding;
- *Ortiz v. Endologix, Inc.* Case No. 30-2016-00873893-CU-OE-CXC, Superior Court of California, County of Orange, Honorable William D. Claster presiding;
- *Delgado v. Pacific Coast Cabling, Inc.,* Case No. BC600419, Superior Court of California, County of Los Angeles, Honorable Carolyn B. Kuhl presiding;
- *Valsabel v. Vintage Tile & Stone, Inc.,* Case No. 30-2016-00848602-CU-OE-CXC, Superior Court of California, County of Orange, Honorable Randall J. Sherman presiding;
- *Ramos v. Da/Pro Rubber, Inc.,* Case No. BC621297, Superior Court of California, County of Los Angeles, Honorable William F. Highberger presiding;
- *Lopez v. Bornt & Sons, Inc.,* Case No. ECU09820, Superior Court of California, County of Imperial, Honorable Jeffrey B. Jones presiding;

- *Ruvalcaba Quiroz v. Circle M Contractors, Inc.*, Case No. 30-2016-00885065-CU-OE-CXC, Superior Court of California, County of Orange, Honorable William D. Claster presiding;
- *Armenta, et al., v. California Friends Homes d/b/a Quaker Gardens*, Case No. 30-2016-00883282-CU-OE-CXC, Superior Court of California, County of Orange, Honorable Randall J. Sherman presiding;
- *Ayala, et al., v. Dearden's*, Case No. BC679750, Superior Court of California, County of Los Angeles, Honorable Elihu M. Berle presiding;
- *Becerra v. All Valley Washer Service, Inc.*, Case No. BC663448, Superior Court of California, County of Los Angeles, Honorable Amy D. Hogue presiding;
- *Song, et al. v. Blendtec, Inc.*, Case No. STK-CV-VOE-2016-6272, Superior Court of California, County of San Joaquin, Honorable Roger Ross presiding;
- *Zinnerman v. Tumbleweed Educational Enterprises, Inc.*, Case No. BC673708, Superior Court of California, County of Los Angeles, Honorable Maren E. Nelson presiding;
- *Chairez v. B.E. McCarty, Inc.,* Case No. 56-2017-00503353-CU-OE-VTA, Superior Court of California, County of Ventura, Honorable Vincent O'Neill presiding;
- *Garcia, et al. v. Simplified Labor Staffing Solutions, Inc.*, Case No. BC696898, Los Angeles County Superior Court, Honorable Elihu M. Berle, presiding (approving an hourly rate of $400 for work performed in 2018 and 2019);
- *Delgado v. Spears Manufacturing Co.*, Case No. BC709665, Los Angeles County Superior Court, Honorable Maren E. Nelson, presiding (approving an hourly rate of $425 for work performed in 2018, 2019, and 2020);
- *Soto v. L I Metal Systems*, Case No. 37-2017-00009607-CU-OE-CTL, San Diego County Superior Court, Honorable Timothy Taylor, presiding (approving an hourly rate of $425 for work performed from 2017-2020);

- *Fishback v. Paragon Framing, Inc.*, Case No. CIVDS1906610, San Bernardino County Superior Court, Honorable David Cohn, presiding (approving an hourly rate of $425 for work performed in 2019 and 2020);
- *Fishback v. J.D. Miller Construction Inc.*, Case No. CIVDS1906611, San Bernardino County Superior Court, Honorable David Cohn, presiding (approving an hourly rate of $425 for work performed from 2019-2021);
- *Teeba v. Brill, Inc.*, Case No. CIVDS1923242, San Bernardino County Superior Court, Honorable David Cohn, presiding (approving an hourly rate of $425 for work performed from 2019-2021);
- *Gonzalez v. Precision Hospitality & Development, LLC*, Case No. 30-2020-01127597-CU-OE-CXC, Orange County Superior Court, Honorable Randall J. Sherman, presiding (approving an hourly rate of $450 for work performed in 2020 and 2021);
- *Vides v. Celoseal Roofing, Inc.*, Case No. 30-2020-01162478-CU-OE-CXC, Orange County Superior Court, Honorable Randall J. Sherman, presiding (approving an hourly rate of $475 for work performed from 2020-2022);
- *Qawas v. Socal Framing, Inc.*, Case No. RIC1902588, Riverside County Superior Court, Honorable Sunshine S. Sykes, presiding (approving an hourly rate of $475 for work performed from 2019-2022);
- *Nelson v. Santini Foods, Inc.*, Case No. RG21090890, Alameda County Superior Court, Honorable Evelio Grillo, presiding (approving an hourly rate of $475 for work performed in 2021 and 2022);
- *Zuniga v. Sonar Inc.,* Case No. 30-2019-01117310-CU-OE-CXC, Orange County Superior Court, Honorable Peter Wilson, presiding (approving an hourly rate of $575 for work performed from 2019-2023); and
- *Gonzalez v. Guardian Industries LLC*, Case No. 19CECG02134, Fresno County Superior Court, Honorable Jonathan M. Skiles, presiding (approving an hourly rate of $575 for work performed from 2019-2023).

- *Sanchez v. Dutton Home Services, LLC*, Case No. 22STCV01834, Los Angeles County Superior Court, Honorable Maren E. Nelson, presiding (approving an hourly rate of $575 for work performed from 2022-2023).
- *Ramirez v. Wyndham Vacation Ownership, Inc.,* Case No. 20CV01715, Santa Barbara County Superior Court, Honorable James F. Rigali, presiding (approving an hourly rate of $650 for work performed from 2020-2024).

5. I have also been named as Class Counsel for the certified class following a contested class certification motion in the following case:

- *Staublein v. Wells Fargo Bank, National Association,* Case No. CIVDS1712267, San Bernardino Superior Court, Honorable David Cohn presiding (certifying a wage statement class).

6. In March 2023, I served as trial counsel for the plaintiff and the aggrieved employees in the matter of *Abraham Taduran v. James R. Glidewell, Dental Ceramics, Inc. dba Glidewell Laboratories*, Case No. 30-2017-00934037-CU-OE-CXC, Orange County Superior Court, Honorable William Claster presiding, which was a case brought under the Private Attorneys General Act, Labor Code §§ 2698 *et seq*., that resulted in a six-figure verdict in favor of the aggrieved employees.

7. In addition to the above cases, I also play a significant role in many of my firm's current wage and hour class actions. The scope of my involvement includes but is not limited to: corresponding with opposing counsel; attending court hearings; drafting and responding to written discovery; preparing for and defending depositions; negotiating and drafting long-form settlement agreements; attending mediations; and drafting motions for preliminary and final approval.

8. Between 2020 and 2025, Thomson Reuters recognized me as a Top Young Attorney in Southern California in the annual Rising Stars Edition of Super Lawyer. This is an honor awarded to no more than two-and-a-half percent of attorneys under the age of forty in Southern California each year.

9. As counsel for Plaintiff, I have been actively involved in all aspects of this litigation since its inception. I played an integral part in the negotiation and resolution of the claims at issue in this lawsuit. This Settlement is a reasonable compromise of said claims and now apply for approval of the Settlement with this Court. The Stipulation of Settlement ("Settlement Agreement") is attached hereto as **Exhibit A**. The Notice of Pendency of Class Action and Proposed Settlement ("Class Notice") which also includes the Dispute Form, Request For Exclusion Form, and Objection Form (collectively, the "Notice Packet") is attached as hereto as **Exhibit B**. Plaintiff's LWDA letters dated February 2, 2024, and April 11, 2025 are attached hereto as **Exhibit C**. Plaintiff's notice to the LWDA of the Settlement along with the approval paperwork. is attached hereto as **Exhibit D**.

10. Defendants operate a chain of approximately 18 Carl's Jr. fast food restaurants in California. Defendants have employed Plaintiff at various Corona, California locations since 2006. Plaintiff was initially hired as an entry-level cashier and was subsequently promoted to a non-exempt Assistant Manager. Like all Settlement Class Members, Plaintiff was employed by Defendants during the Class Period and was subject to Defendants' allegedly unlawful wage and hour policies and practices.

11. On February 2, 2024, Plaintiff initiated this action against Defendants, asserting the following causes of action: (1) minimum wage violations; (2) failure to pay all overtime wages; (3) failure to reimburse necessary business expenditures; (4) meal period violations; (5) rest period violations; (6) failure to furnish accurate, compliant, and itemized wage statements; and (7) unfair competition. On April 8, 2024, Plaintiff filed a First Amended Complaint, adding a cause of action for civil penalties under the PAGA (Labor Code § 2698 *et seq*.) based on the same underlying Labor Code violations. On May 1, 2025, Plaintiff filed a stipulation to amend the complaint to add Bernard Karcher Investments, Inc. and Star Goals, LLC as named Defendants and to include a cause of action for waiting time penalties. Plaintiff will file the operative Second Amended Complaint prior to the hearing on this Motion.

CMO G(3)(a)(iii); CMO G(9)(b)

12. Plaintiff contends that Defendants regularly failed to provide Settlement Class Members with timely, duty-free, and uninterrupted 30-minute meal periods to which they were entitled. Specifically, Defendants' supervisors instructed employees to take a meal break "when they had time." This practice frequently resulted in Plaintiff and other non-exempt employees not being able to take a compliant meal period due to staffing shortages and work demands imposed by Defendants. Additionally, on occasions when Plaintiff and other non-exempt employees were able to take a meal period, they were often interrupted to assist with urgent tasks and rushes in the store. Defendants also failed to provide second meal periods when employees worked shifts in excess of 10 hours. Further, Plaintiff asserts that Defendants failed to pay any meal period premiums during the relevant time period, which is itself a certifiable issue. Plaintiff's expert determined that Settlement Class Members experienced 21,136 first meal period violations on shifts exceeding 6.0 hours during the Class Period. Plaintiff's expert focused on these shifts because they are not susceptible to a voluntary meal period waiver. Additionally, Plaintiff's expert identified 1,606 additional meal violations for shifts exceeding 10.0 hours. Based on an average regular rate of $15.85, Plaintiff calculated Defendants' liability for meal period violations to be $360,461 (21,136 first meal violations + 1,606 second meal violations x $15.85 average premium). Plaintiff discounted the overall figure by 25% for the risk of non-certification and an additional 25% for the risk of not prevailing on the merits, resulting in a projected recovery of $202,759.

13. Defendants contend that they maintain a facially compliant written meal period policy, have always provided meal periods consistent with that policy, and are only required to provide the opportunity to take meal periods, not to ensure that they are taken. Defendants further argue that any meal period violations reflected in the time records were the result of employee choice, not company policy, and that individualized inquiries would be required to determine whether a waiver applied, whether a premium was paid, and why a particular meal period was late, short, or missed, thereby posing significant obstacles to class certification.

14. Similar to meal periods, Plaintiff contends that Defendants failed to authorize and permit employees to take all lawful rest periods to which they were entitled. Specifically, Plaintiff asserts that, due to work demands and staffing issues, Defendants failed to authorize and permit rest breaks throughout the workday. Additionally, Plaintiff claims that even when rest periods were taken, Plaintiff and other non-exempt employees were frequently interrupted. Critically, Defendant required Plaintiff and other non-exempt employees to record their rest periods in the timekeeping system throughout the Class Period. Plaintiff also alleges that Defendants failed to pay any rest period premiums, an issue which itself is certifiable. Plaintiff's expert determined that Settlement Class Members worked a total of 66,723 shifts exceeding 6.0 hours without two recorded 10-minute rest periods during the Class Period. Plaintiff therefore calculated Defendants' maximum liability for rest period violations at $1,057,560 (66,723 rest period violations x $15.85 average premium). Plaintiff applied a 25% discount for the risk of non-certification and an additional 25% discount for the risk of not prevailing on the merits, resulting in a projected recovery of $594,878.

15. Defendants dispute these allegations and assert that they maintain a facially lawful written rest period policy, and that they have always authorized and permitted rest breaks consistent with California law. Defendants further contend that any missed or delayed breaks were the result of employee choice rather than company policy. As such, Defendants argue that individualized inquiries would be required to determine whether an employee was truly denied a rest period on any given shift, rendering the claim unsuitable for class treatment. Defendants also assert that questions such as whether the employee had a rest break opportunity, or whether breaks were waived or voluntarily skipped would overwhelm any common questions and raise serious manageability concerns.

16. Plaintiff alleges that Defendants paid Plaintiff and other non-exempt shift lead and manager employees non-discretionary bonuses based on store metrics set by Defendants for the fiscal year. However, Plaintiff asserts that Defendants failed to include the value of these bonuses when calculating employees' regular rates of pay. As a result, Plaintiff alleges that Defendants failed to accurately pay Plaintiff and other non-exempt employees all overtime wages and meal

and rest period premiums. Plaintiff's expert determined that Settlement Class Members were underpaid approximately $3,712 due to this regular rate miscalculation. Plaintiff applied a 10% discount for the risk of non-certification and an additional 25% discount for the risk of not prevailing on the merits or failing to establish damages, resulting in a projected recovery of approximately $2,506.

17. Defendants argue that any bonus payments made were purely discretionary and therefore properly excluded from the regular rate of pay. Defendants also assert that this claim is unmanageable, as it would require individualized inquiries into whether each bonus payment was discretionary or non-discretionary and into the precise amount each employee was allegedly owed, resulting in an unmanageable series of mini-trials.

18. Plaintiff alleges that Defendants failed to reimburse employees for the use of their personal cellular phones to perform essential job duties, including communicating with supervisors throughout the workday. Plaintiff estimates that a reasonable portion of the average monthly cell phone bill attributable to work use is approximately $50.00. Plaintiff therefore calculated Defendants' maximum liability for unreimbursed business expenses as $541,778 ($50.00 monthly reimbursement x 46,918 weeks ÷ 4.33 weeks per month). Plaintiff applied a 50% discount for the risk of non-certification and an additional 50% discount for the risk of not prevailing on the merits or failing to establish damages, resulting in a projected recovery of approximately $135,445.

19. Defendants argue that they reimbursed all reasonable and necessary business expenditures. Defendants assert that they provided company phones to employees and maintained lawful reimbursement policies throughout the putative class period. Defendants further argue that this claim is not suitable for class certification, as it would require a series of mini-trials to determine which employees incurred expenses, whether those expenses were reasonable, and whether they were necessary.

CMO G(9)(b)(i)-(viii)

20. As a result of Defendants' alleged failure to pay all overtime wages, minimum wages, and meal and rest period premiums, Plaintiff asserts that Defendants also failed to issue

accurate and itemized wage statements and failed to timely pay all final wages upon separation of employment. Plaintiff also seeks PAGA civil penalties on behalf of all aggrieved employees for these alleged violations.

21. Based on data provided by Defendants, approximately 318 Settlement Class Members received wage statements during the relevant statutory period, totaling 17,003 pay periods. Plaintiff calculated Defendants' maximum potential exposure for wage statement violations as $1,272,000 (318 employees x $4,000 maximum statutory penalty). Plaintiff applied a 25% discount for the risk of non-certification of the underlying claims and an additional 50% discount for the risk of not prevailing on the merits or failing to prove the statutory prerequisites for penalties, resulting in a projected recovery of approximately $477,000.

22. Plaintiff's expert determined that 575 Settlement Class Members separated their employment during the relevant statutory period. Based on an average hourly wage of $15.85 and the statutory maximum of 30 days' pay (8 hours per day), Plaintiff calculated Defendants' maximum waiting time exposure at $2,187,300 (575 employees x 8 hours x 30 days x $15.85 average hourly rate). Plaintiff applied a 25% discount for the risk of non-certification and an additional 50% discount for the risk of not prevailing on the merits, overstating damages, or failing to establish willfulness, resulting in a projected recovery of approximately $820,238.

23. Plaintiff alleges that civil penalties under PAGA are recoverable for each pay period in which an underlying Labor Code violation occurred. Based on Plaintiff's expert analysis, Settlement Class Members worked a total of 17,003 pay periods during the PAGA period in which at least one of Plaintiff's alleged violations occurred. Applying the $100 "initial violation" rate provided under Labor Code § 2699(f), Plaintiff calculated Defendants' maximum PAGA exposure as $1,700,300 (17,003 pay periods x $100 violation rate). Plaintiff applied a 50% discount to account for the risk of not prevailing on the underlying claims or overstating penalty exposure, and an additional 90% discount to account for the Court's discretion to reduce penalties, resulting in a projected recovery of approximately $85,015.

24. Defendants argue that Plaintiff's underlying claims will fail and, as a result, the derivative wage statement, waiting time, and PAGA claims must also fail. Defendants also

maintain that Plaintiff cannot show that any wage statement violations were "knowing and intentional," or that the putative class members "suffered injury" as required by Labor Code § 226(e). Moreover, Defendants contend that their good faith defenses to the underlying claims would preclude recovery of waiting time penalties, which require a "willful" failure to pay wages. Defendants also assert that this Court should exercise its discretion to substantially reduce any PAGA penalties awarded.

CMO G(3)(a)(ii)

25. Based on the estimated exposure values across all class claims, Plaintiff calculates the potential reasonable recovery for the Settlement Class to be approximately $2,232,826, plus an additional $85,015 attributable to PAGA civil penalties. The maximum theoretical exposure for the case was calculated at $7,123,110. The proposed non-reversionary settlement of $1,125,000.00 therefore represents approximately 88.69% of Plaintiff's forecasted reasonable recovery after applying a 47% discount to the class claims to account for the workweeks covered by arbitration agreements. This is an exceptional result that falls well within the range that courts have consistently deemed fair, adequate, and reasonable when evaluating class action settlements.

CMO G(3)(a)(vi)

26. In the weeks leading up to mediation, Defendants distributed arbitration agreements to current employees and contend that 134 employees, covering approximately 47% of the total workweeks during the Class Period, signed the agreement. Defendants argue that these agreements contain enforceable class action waivers that would preclude classwide litigation on behalf of those employees, thereby significantly reducing the scope of any potential class recovery.

27. In connection with mediation, Defendants provided Plaintiff with electronic timekeeping and payroll records for approximately 23% of the Settlement Class, covering the entire Class Period, along with key policy documents and relevant data points. Plaintiff then retained an expert with a Ph.D. in economics to analyze the data and conduct a comprehensive, class-wide analysis to develop an exposure model for the claims at issue. On January 22, 2025, the Parties participated in a mediation session with mediator Kevin Barnes, Esq., during which

they exchanged divergent views regarding Defendants' liability, potential exposure, and the likelihood of class certification. At the conclusion of the session, Mr. Barnes issued a mediator's proposal, which the Parties ultimately accepted. Over the following months, the Parties finalized the terms of the proposed Settlement now submitted to the Court for preliminary approval.

CMO G(3)(a)(i); G(3)(a)(iv); G(3)(a)(v)

28. Based on records produced prior to mediation, there are approximately 709 potential Settlement Class Members, who will receive an average Individual Class Settlement Payment of approximately $839.92. There are approximately 318 PAGA Aggrieved Employees who will receive approximately $78.62 for their share of PAGA civil penalties. Defendants' payroll and personnel records can be used to identify Class Members.

CMO G(3)(c)

29. Settlement Class Members will have 180 days from the mailing of Settlement Awards to cash their checks. Any uncashed funds will be redistributed equally among Settlement Class Members who cashed their checks prior to the deadline.

30. At the time of final settlement approval, Plaintiff will request a Class Representative Enhancement Payment in the amount of $7,500.00 in recognition of the significant time and effort she dedicated to this litigation. Throughout the litigation, Plaintiff searched for relevant documents, provided factual information to Class Counsel, participated in multiple calls to discuss the claims and company policies, assisted with mediation preparation, and made herself available during mediation to respond to factual inquiries from opposing counsel and the mediator. Plaintiff estimates she devoted at least 30 hours to tasks that contributed directly to the resolution of this matter. She also assumed meaningful risk by serving as the named Plaintiff, as her name is now associated with a wage and hour class action against a former employer.

31. My firm will also seek an attorneys' fee award of up to one-third of the MSA (currently estimated at $375,000.00) and reimbursement of actual litigation costs up to $35,000.00. The requested fee reflects fair compensation for undertaking complex, risky, and time-intensive litigation on a purely contingent basis. My firm's work to date has included pre-filing investigation, legal research, review and analysis of class data and policy documents,

consultation with a retained expert to develop a comprehensive damages model, participation in mediation, and drafting of the Memorandum of Understanding, Settlement Agreement, and Notice documents. My firm will also devote additional time to overseeing the notice process, preparing the Final Approval Motion and related filings, attending the Final Approval hearing, and responding to Settlement Class Member inquiries.

32. My firm carefully vetted the claims at issue, reviewed timekeeping and payroll records spanning the entire Class Period, examined relevant policy documents, and developed a comprehensive damages model addressing Defendants' classwide liability.

33. Although the Parties participated in an informal exchange prior to mediation, full discovery had not yet been completed. Absent settlement, the Parties would have faced extensive discovery obligations and further pretrial motions, including class certification, summary adjudication, and potential appeals. Even if Plaintiff succeeded in certifying one or more classes, continued litigation would involve significant costs, including trial preparation, trial, and post-trial proceedings.

CMO G(3)(d)(i); CMO G(3)(d)(ii)

34. Plaintiff requests that the Court order distribution of the Class Notice in English and Spanish via first-class mail to the Settlement Class Members using the last known addresses provided by Defendants. The Parties propose Phoenix Settlement Administrators ("Phoenix"), a qualified settlement administrator, to handle notice and administration. My firm sought bids from Phoenix ($12,000.00), Apex Class Action Administration ($14,990.00), and CPT Group, Inc. ($15,500.00). Phoenix provided the lowest bid. A declaration from Jodey Lawrence on behalf of Phoenix is filed concurrently with this Motion.

35. Defendants will provide Phoenix with Settlement Class Members' names, Social Security numbers, workweek information, and last known contact information within fourteen (14) calendar days after preliminary approval. Phoenix will perform National Change of Address checks and skip traces as needed. The Class Notice will include the Final Approval Hearing date, Class Counsel's contact information, and information about entering an appearance through counsel. This process satisfies California Rule of Court 3.766(e).

CMO G(3)(a)(vii)

36. I confirm that I am not affiliated with the proposed settlement administrator, Phoenix Settlement Administrators. I am also not aware of any class, representative or other collective action pending in any other court that asserts claims similar to those asserted in this action. Prior to filing this Motion, I also checked the PAGA Case Search website (https://cadir.my.salesforce-sites.com/PagaSearch) to confirm no additional LWDA letters were submitted against Defendant.

CMO G(3)(b)

37. Attached hereto as **Exhibit E** is a true and correct copy of Defendant's counsel Harrison M. Thorne confirming they are not aware of any class, representative or other collective action pending in any other court that asserts claims similar to those asserted in this action.

CMO G(3)(e)(i)

38. The release on behalf of Settlement Class members is limited to "Defendants together with their officers, directors, employees and agents." *See* Settlement ¶ 3.

CMO G(3)(e)(ii); G(3)(e)(iii)

39. The release on behalf of Settlement Class Members is limited to the claims stated in the complaint and those based upon the facts alleged in the complaint for the time period mirror the Class Period. *See* Settlement ¶ 3A.

CMO G(3)(e)(iv); G(9)(d)

40. The release for PAGA penalties is limited to those claims described in Plaintiff's LWDA notices and binds only Plaintiff and the State of California. The exact language of the release is as follows: "Plaintiff and the State of California release all PAGA claims for statutory penalties that could have been sought by the Labor Commissioner for the Labor Code violations identified in Plaintiff's letters dated February 2, 2024 and April 11, 2025 to the Labor & Workforce Development Agency ("LWDA") ("PAGA Released Claims"). Plaintiff does not release any PAGA Aggrieved Employee's claim for wages or damages. The time period covered by this releases mirrors the PAGA Period." *See* Settlement ¶ 3B.

CMO G(3)(f)

41. The Settlement Administrator will mail Notice Packets via First Class Mail to addresses believed to be current (after completing a National Change of Address search). *See* Settlement ¶ 10B.

CMO G(3)(i)

42. The Settlement requires the employer's share of payroll taxes to be paid separate and apart from, and in addition to, the Maximum Settlement Amount. *See* Settlement ¶ 4E.

CMO G(3)(j)

43. One hundred percent (100%) of any amount paid from the PAGA Amount will be treated as penalties. Twenty percent (20%) of any amount paid from the Net Settlement Amount to Participating Settlement Class Members will be treated as wages, and the remaining eighty percent (80%) will be treated as penalties and interest. *See* Settlement ¶ 5D.

CMO G(9)(c)

44. The Settlement confirms that all PAGA Aggrieved Employees will receive their share of PAGA civil penalties, regardless of whether they opt-out of the Settlement. *See* Settlement ¶ 5Bii.

CMO G(3)(k)(ii)

45. Attached hereto as **Exhibit F** is a true and correct copy of the declaration of Dana McClure on behalf of Defendants, attesting to the age, education, tenure, and English literacy of the Settlement Class Members. Mr. McClure attests that the average age of hourly, nonexempt employees is approximately 34 years old at B&J, 39 years old at Bernard Karcher Investments, Inc., and 33 years old at Star Goals, LLC. Approximately 75% of hourly, nonexempt employees at B&J and BKI, and approximately 80% at Star Goals, have a high school diploma or greater. The average tenure is approximately 6 years at B&J, 9 years at BKI, and 7 years at Star Goals. Mr. McClure further attests that approximately 70% of B&J and BKI employees, and approximately 80% of Star Goals employees, can read and comprehend English. Regardless, the Notice Packet will be disseminated in both English and Spanish

I declare under penalty of perjury under the laws of California and the United States that the foregoing is true and correct. Executed on May 5, 2025, at El Segundo, California.

Andrew J. Rowbotham

EXHIBIT A

STIPULATION OF SETTLEMENT

This Stipulation of Settlement ("Settlement Agreement") is entered into by and between Plaintiff Guadalupe Sanchez ("Plaintiff"), individually and on behalf of all members of the Settlement Class and PAGA Aggrieved Employees (defined below), on one hand, and Defendants B & J, LLC, Bernard Karcher Investments, Inc., and Star Goals, LLC (collectively, "Defendants"), on the other hand. Plaintiff and Defendants are referred to collectively herein as the "Parties." Plaintiff, the Settlement Class, and the PAGA Aggrieved Employees are represented by Paul K. Haines, Fletcher W. Schmidt, and Andrew J. Rowbotham of Haines Law Group, APC ("Class Counsel"). Defendants are represented by Nicole Golob and Harrison Thorne of Fisher & Phillips LLP.

On February 2, 2024, Plaintiff filed a wage and hour class action complaint against B & J, LLC in Riverside County Superior Court in the matter entitled Guadalupe Sanchez v. B & J, LLC, et al., Case No. CVRI2400579 (the "Action"). On April 8, 2024, Plaintiff filed a First Amended Class and Representative Action Complaint to add a cause of action for civil penalties under the Private Attorneys General Act of 2004 ("PAGA"). On May 1, 2025, Plaintiff filed the operative Second Amended Class and Representative Action Complaint to add Bernard Karcher Investments, Inc. and Star Goals, LLC as named defendants and to include a cause of action for waiting time penalties.

Given the uncertainty of litigation, Plaintiff and Defendants wish to resolve this matter individually and on behalf of the Settlement Class and PAGA Aggrieved Employees. The Parties believe that the Settlement is fair, reasonable, and adequate. The Settlement was reached after mediation and through arm's-length negotiations, considering all relevant factors. Accordingly, Plaintiff and Defendants agree as follows:

1. **Settlement Class or Settlement Class Member(s).** For purposes of this Settlement Agreement only, Plaintiff and Defendants stipulate to the conditional certification of the following Settlement Class:

> All current and former non-exempt employees who work or worked for Defendant B & J, LLC in California between February 2, 2020 and March 24, 2025, and all current and former non-exempt employees who work or worked for Defendants Bernard Karcher Investments, Inc. and Star Goals, LLC in California between February 1, 2021 and March 24, 2025 (the "Settlement Class").

The Class Period is defined as February 2, 2020 to March 24, 2025, subject to Paragraph 3.F, below.

Participating Settlement Class Members are Settlement Class Members who do not opt-out of the Settlement.

The Parties stipulate to the conditional certification of the Settlement Class for settlement purposes only. The Parties agree that such conditional certification does not constitute, and will not be construed as, an admission that class certification is appropriate under California Code of Civil Procedure § 382. If, for any reason, the Court does not approve this Settlement Agreement, the Settlement fails to become Effective, or the Settlement is reversed, withdrawn, or modified in a manner that prevents or prohibits Defendants from obtaining a complete resolution of the claims described herein, then the conditional class certification will be void ab initio, of no force or effect, and will not be admissible in this Action or in any other judicial, administrative, or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural. In such event, the Parties will revert to the respective positions they held prior to executing this Settlement Agreement.

2. **PAGA Aggrieved Employees**. PAGA Aggrieved Employees are defined as all current and former non-exempt employees who work or worked for Defendants B & J, LLC, Bernard Karcher Investments, Inc., and Star Goals, LLC in California between February 1, 2023 and March 24, 2025 (the "PAGA Period").

3. **Release by Settlement Class Members and Plaintiff**. In exchange for the consideration set forth in this Settlement Agreement, and upon the complete funding of the Maximum Settlement Amount, Plaintiff and every member of the Settlement Class (except those who opt out) will release and discharge Defendants, together with their officers, directors, employees and agents (collectively, the "Released Parties"), as follows:

A. Release by Settlement Class Members: Settlement Class Members, except those who submit a timely and valid Request for Exclusion, will fully and finally release and discharge Defendants and the Released Parties from all claims stated in the operative complaint and those based upon the facts alleged in the operative complaint. This release is limited to claims arising during the Class Period.

B. PAGA Release: Plaintiff and the State of California release all PAGA claims for statutory penalties that could have been sought by the Labor Commissioner for the Labor Code violations identified in Plaintiff's letters dated February 2, 2024 and April 11, 2025 to the Labor & Workforce Development Agency ("LWDA") ("PAGA Released Claims"). Plaintiff does not release any PAGA Aggrieved Employee's claim for wages or damages. The time period covered by this releases mirrors the PAGA Period.

C. General Release by Plaintiff: In light of Plaintiff's Class Representative Enhancement Payment, Plaintiff also releases, in addition to the Released Claims described above, all claims, whether known or unknown, without exception, against the Released Parties. Plaintiff understands that this release includes unknown claims and that she is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

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

However, to the extent that Plaintiff has claims that cannot be released as a matter of law (i.e., workers' compensation claims), then those claims will not be released.

4. **Maximum Settlement Amount**. As consideration for the complete and final resolution of the Action, Defendants agree to pay a non-reversionary Maximum Settlement Amount (or "MSA") of One Million One Hundred Twenty-Five Thousand Dollars and Zero Cents ($1,125,000.00), allocated as follows:

A. The Parties agree to engage Phoenix Settlement Administrators as the "Settlement Administrator" to administer the Settlement.

B. The Effective Date of the Settlement will be the later of the following: (a) if no timely objections are filed or if all objections are withdrawn, the date upon which the Court enters Final Approval; (b) if an objection is filed and not withdrawn, the date for filing an appeal and no such appeal being filed; or (c) if any timely appeals are filed, the date of the resolution (or withdrawal) of any such appeal in a way that does not alter the terms of the Settlement.

C. If no objections are filed, the MSA will be deposited with the Settlement Administrator within thirty (30) calendar days after Effective Date.

D. This is a non-reversionary settlement. The Maximum Settlement Amount includes:

(1) All payments (including interest) to Settlement Class Members;

(2) All costs of the Settlement Administrator to administer the Settlement, not to exceed Twelve Thousand Dollars and Zero Cents ($12,000.00);

(3) Up to Seven Thousand Five Hundred Dollars and Zero Cents ($7,500.00) to Plaintiff as a Class Representative Enhancement Payment, in recognition of her contributions to the Action and service to the Settlement Class. If the Court reduces or does not approve the full requested amount, Plaintiff will not have the right to revoke the Settlement, and any unapproved portion will be added to the NSA for distribution to Settlement Class Members;

(4) Up to one-third of the Maximum Settlement Amount for Class Counsel's attorneys' fees (currently estimated at Three Hundred Seventy-Five Thousand Dollars and Zero Cents ($375,000.00)), plus actual litigation costs and expenses not to exceed Thirty-Five Thousand Dollars and Zero Cents ($35,000.00), as supported by declaration. If the Court reduces or does not approve the requested attorneys' fees or costs, Class Counsel will not have the right to revoke the Settlement, and any unapproved portion will be added to the NSA for distribution to Settlement Class Members;

(5) One Hundred Thousand Dollars and Zero Cents ($100,000.00) in civil penalties pursuant to the Private Attorneys General Act ("PAGA"). In accordance with Labor Code § 2699(i), seventy-five percent (75%), or Seventy-Five Thousand Dollars and Zero Cents ($75,000.00), will be paid to the California Labor and Workforce Development Agency ("LWDA"), and the remaining twenty-five percent (25%), or Twenty-Five Thousand

Dollars and Zero Cents ($25,000.00), will be distributed to the PAGA Aggrieved Employees as the "PAGA Amount."

E. Defendants' share of employer-side payroll taxes will be paid separately by Defendants and will not be deducted from the Maximum Settlement Amount.

F. **Escalator Clause.** Defendants represent that there are an estimated 85,952 workweeks worked as of the date of mediation (January 22, 2025). If the actual number of workweeks worked during the Class Period exceeds this figure by 7.5% or more (i.e., if there are 92,398 or more workweeks worked during the Class Period), Defendants shall, at their sole discretion, have the option to: (i) increase the Maximum Settlement Amount by a percentage that matches the increase above 7.5% (e.g., if there was a 10% increase in the number of workweeks worked during the Class Period, Defendants will increase the Maximum Settlement Amount by 2.5%); or (ii) end the Class Period on a date in which the workweeks are equal to or less than 92,398 workweeks.

5. **Payments to the Settlement Class and PAGA Aggrieved Employees**. Settlement Class Members and PAGA Aggrieved Employees are not required to submit a claim form to receive a payment ("Settlement Award") from the Settlement. Settlement Awards will be determined and paid as follows:

A. The Settlement Administrator will first deduct from the Maximum Settlement Amount the amounts approved by the Court for: (1) Class Counsel's attorneys' fees; (2) Class Counsel's costs and expenses; (3) Plaintiff's Class Representative Enhancement Payment; (4) the amount allocated as PAGA civil penalties; and (5) the Settlement Administrator's fees and expenses. The remaining amount will be referred to as the "Net Settlement Amount" ("NSA").

B. From the NSA, the Settlement Administrator will calculate each Settlement Class Member's Settlement Award using the following formula:

i. The NSA will be allocated among Participating Settlement Class Members based on the number of workweeks each Participating Settlement Class Member worked as a non-exempt employee during the Class Period. The Settlement Award for each Participating Settlement Class Member will be calculated by multiplying the NSA by a fraction, the numerator of which is the individual's total workweeks worked during the Class Period, and the denominator of which is the total number of workweeks worked by all Participating Settlement Class Members during the Class Period ("Individual Class Settlement Payment").

ii. <u>PAGA Amount</u>: Twenty-Five Thousand Dollars and Zero Cents ($25,000.00) of the Maximum Settlement Amount has been designated as the "PAGA Amount," as described above. Each PAGA Aggrieved Employee (including those who opt out of the class settlement) will receive a share of the PAGA Amount proportionate to the number of pay periods worked during the PAGA Period. This amount will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the individual PAGA Aggrieved Employee's total pay periods worked during the PAGA Period, and the denominator of which is the total pay periods worked by all PAGA Aggrieved Employees during the PAGA Period ("Individual PAGA Settlement Payment").

C. Within five (5) business days after the Court enters an order granting final approval of the Settlement, the Settlement Administrator will provide the Parties with an accounting of all amounts to be paid by Defendants pursuant to the terms of this Settlement Agreement, including the employer-side payroll tax contribution. Within ten (10) calendar days after Defendants deposit the Maximum Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate the Settlement Award amounts and provide the calculations to counsel for review and approval. Within seven (7) calendar days after receiving approval from counsel, the Settlement Administrator will prepare and mail the Settlement Awards, less applicable taxes and withholdings, to Participating Settlement Class Members and PAGA Aggrieved Employees. At the time of distribution, the Settlement Administrator will remit all required withholdings to the appropriate taxing authorities and provide copies of the related reports to Defendants' counsel.

D. For purposes of calculating applicable taxes and withholdings, each Settlement Award will be allocated as follows: One hundred percent (100%) of any amount paid from the PAGA Amount will be treated as penalties. Twenty percent (20%) of any amount paid from the Net Settlement Amount to Participating Settlement Class Members will be treated as wages, and the remaining eighty percent (80%) will be treated as penalties and interest. The Settlement Administrator will issue IRS Forms W-2 for amounts designated as wages, and IRS Forms 1099 for amounts designated as penalties and interest. None of the payments made under this Settlement Agreement, including those allocated as wages, will be considered earnings, wages, compensation, or benefits for purposes of any employee benefit or retirement plan, unless required by the terms of such a plan. The Participating Settlement Class Members are responsible for their share of the payroll taxes, which will be deducted from their Individual Class Settlement Payments.

E. Each Participating Settlement Class Member and PAGA Aggrieved Employee who receives a Settlement Award must cash the settlement check within one hundred eighty (180) days from the date it is mailed. Any uncashed checks after this period will result in the associated funds being redistributed to those Participating Settlement Class Members and PAGA Aggrieved Employees who cashed their checks.

F. Neither Plaintiff nor Defendants will bear any liability for lost or stolen checks, forged signatures, or unauthorized negotiation of any check. Unless caused by its own act or omission, the same is true for the Settlement Administrator. Defendants fully discharge their obligations to the Settlement Class Members and PAGA Aggrieved Employees to whom they pay an Individual Class Settlement Payment or Individual PAGA Settlement Payment, regardless of whether such checks are actually received and/or negotiated.

G. The Parties make no representations regarding the tax treatment or legal effect of any payments made under this Settlement Agreement. Each Participating Settlement Class Member and PAGA Aggrieved Employee receiving a Settlement Award or PAGA payment acknowledges and agrees that they are not relying on any statement or representation by the Parties or their counsel regarding the tax implications of their Settlement Award. Each Participating Settlement Class Member and PAGA Aggrieved Employee will be solely responsible for the payment of any taxes, penalties, or other obligations arising from their personal tax reporting of their Settlement Award. Plaintiff makes the same representations with respect to the Class Representative Enhancement Payment.

6. **Attorneys' Fees and Costs**. Defendants will not object to Class Counsel's request for an award of attorneys' fees in an amount up to one-third of the Maximum Settlement Amount, currently estimated at Three Hundred Seventy-Five Thousand Dollars and Zero Cents ($375,000.00). Class Counsel will also request reimbursement of actual litigation costs and expenses, not to exceed Thirty-Five Thousand Dollars and Zero Cents ($35,000.00), as supported by declaration. These amounts are intended to compensate Class Counsel for all work performed and all costs incurred in connection with this Action, including but not limited to: work completed and costs incurred to date, as well as any work performed and costs incurred in connection with obtaining Court approval of the Settlement, responding to any objections, and handling any appeals. The Settlement Administrator will issue an IRS Form 1099 to Class Counsel when payment of any fee and cost award is made. In the event that the Court reduces or does not approve the requested attorneys' fees or costs, Class Counsel will not have the right to revoke the Settlement, and any unapproved portion will be added to the NSA for distribution to Settlement Class Members.

7. **Class Representative Enhancement Payment.** Defendants will not object to Plaintiff's request for a Class Representative Enhancement Payment of up to Seven Thousand Five Hundred Dollars and Zero Cents ($7,500.00), in recognition of her time, effort, and risk in prosecuting this Action and her service to the Settlement Class. This payment will be in addition to any Settlement Award Plaintiff receives as a Settlement Class Member and/or PAGA Aggrieved Employee and will be reported on an IRS Form 1099 issued by the Settlement Administrator. In the event that the Court reduces or does not approve the requested enhancement payment, Plaintiff will not have the right to revoke the Settlement, the Settlement will remain binding, and any unapproved portion will be added to the NSA for distribution to Participating Settlement Class Members.

8. **Settlement Administrator.** Defendants will not object to the appointment of Phoenix Settlement Administrators as the Settlement Administrator. Defendants will not object to Plaintiff seeking approval to pay up to Twelve Thousand Dollars and Zero Cents ($12,000.00) for the Settlement Administrator's services, from the Maximum Settlement Amount. The Settlement Administrator will be responsible for administering the Settlement, including but not limited to: mailing the Class Notice, performing NCOA searches, calculating Settlement Awards (which includes Individual Class Settlement Payments and Individual PAGA Settlement Payments), issuing all checks and tax forms, handling any returned mail or disputes, and performing all other

duties described in this Settlement Agreement. The Settlement Administrator may pay itself from the Maximum Settlement Amount only after Settlement Awards have been mailed to all Settlement Class Members and with authorization from Class Counsel.

9. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiff will apply to the Court for entry of an order:

A. Conditionally certifying the Settlement Class for settlement purposes only;

B. Appointing Paul K. Haines, Fletcher W. Schmidt, and Andrew J. Rowbotham of Haines Law Group, APC as Class Counsel;

C. Appointing Guadalupe Sanchez as the Class Representative for the Settlement Class;

D. Approving Phoenix Settlement Administrators as the Settlement Administrator;

E. Preliminarily approving the Settlement Agreement and its terms as fair, reasonable, and adequate;

F. Approving the form and content of the Notice Packet (comprised of the Class Notice, Request for Exclusion Form, and Objection Form), and directing the mailing of the Notice Packet to Settlement Class Members; and

G. Scheduling a hearing on the Motion for Final Approval.

10. **Notice to Settlement Class**. Following preliminary approval, the Settlement Class will be notified as follows:

A. Within fourteen (14) calendar days after entry of an order preliminarily approving this Agreement, Defendants will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, and the number of workweeks and pay periods worked by each Settlement Class Member and PAGA Aggrieved Employee while employed during the Class Period and PAGA Period (the "Class Data"). The Class Data will be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator.

B. Within fourteen (14) calendar days after receiving the Class Data from Defendants, the Settlement Administrator will: (i) run the names of all Settlement Class Members through the National Change of Address ("NCOA") database to determine any updated addresses; (ii) update the address of any Settlement Class Member for whom an updated address is found; (iii) calculate the estimated Settlement Award for each Settlement Class Member based on the number of workweeks worked during the Class Period; and (iv) mail a Notice Packet, in both English and Spanish, via First Class U.S. Mail to each Settlement Class Member at their last known address or updated address, and retain proof of mailing.

C. Requests for Exclusion. Any Settlement Class Member who does not wish to participate in the class action portion of the Settlement must complete and mail, fax, or otherwise deliver a Request for Exclusion Form to the Settlement Administrator no later than sixty (60) calendar days after the initial mailing of the Notice Packet (the "Response Deadline").

i. The Notice Packet will explain that any Settlement Class Member who wishes to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) include the Settlement Class Member's name and address; (2) clearly state that the individual wishes to be excluded from the Settlement (e.g., "I do not want to be part of the class action settlement"); and (3) be signed by the Settlement Class Member. The Request for Exclusion may, but is not required to, include a telephone number. A Request for Exclusion lacking a telephone number will still be deemed valid. The exclusion form and instructions will not request more than the minimum information necessary to: (i) identify the Settlement Class Member, and (ii) allow the Settlement Administrator to contact that individual to clarify any uncertainties.

ii. The Request for Exclusion must be postmarked (if mailed) or received (if faxed or delivered) by the Response Deadline and must be submitted to the address or fax number provided in the Class Notice. The date of the postmark will determine timeliness for mailed exclusions.

iii. Any Settlement Class Member who submits a valid and timely Request for Exclusion will not be bound by the Settlement, will not receive a Settlement Award, and will have no right to object to or appeal the Settlement. However, any such individual who was employed by Defendants during the PAGA Period will remain eligible to receive their portion of the PAGA Amount, as PAGA penalties are not subject to exclusion.

D. Objections. Settlement Class Members who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by submitting a written objection to the Settlement Administrator. The Settlement Administrator will serve copies of all timely objections on Class Counsel and Defendants' counsel and file them with the Court. Defendants' counsel and Class Counsel will file any responses to objections no later than the deadline to file the Motion for Final Approval, unless the objections are filed within ten (10) days of that deadline, in which case Defendants' counsel and Class Counsel will have ten (10) days to respond. To be valid, any objection should: (1) contain the objecting Settlement Class Member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class Member; (2) include all objections and the factual and legal bases for each; (3) include any supporting papers, briefs, written evidence, or declarations; and (4) be postmarked no later than the Response Deadline. However, the objection form and instructions will not request more than the minimum information necessary to: (i) identify the objector, (ii) describe the basis for the objection, and (iii) allow the Settlement Administrator to contact the objector to clarify uncertainties. Settlement Class Members will not be barred from appearing at the Final Approval Hearing even if they do not comply with the objection procedures described herein.

E. Notice of Settlement Award / Disputes. Each Notice Packet mailed to a Settlement Class Member will disclose: (i) the estimated amount of the Settlement Class Member's Settlement Award; (ii) the number of workweeks and pay periods attributed to the Settlement Class Member from Defendants' records; and (iii) all other relevant data used to calculate the Settlement Award. Settlement Class Members will have the opportunity to dispute this information by submitting written documentation and/or a brief explanation to the Settlement Administrator postmarked by the Response Deadline. If a dispute is received, the Settlement Administrator may contact the Settlement Class Member for clarification and will consult with counsel for the Parties to determine whether an adjustment is warranted. The Settlement Administrator will determine the eligibility for, and the amount of, any Settlement Award under the terms of this Settlement Agreement. The Settlement Administrator's determination will be final and binding on the Settlement Class Member and the Parties.

F. Any Notice Packet returned to the Settlement Administrator as undeliverable on or before the Response Deadline will be re-mailed to any forwarding address provided by the postal service. If no forwarding address is available, the Settlement Administrator will perform a skip trace to identify an updated address within five (5) business days of receipt. If an updated address is found, the Settlement Administrator will re-mail the Notice Packet within five (5) business days of obtaining that address. The address identified by the Settlement Administrator will be presumed to be the best available address for the Settlement Class Member. Settlement Class Members whose Notice Packets are re-mailed will have the later of: (i) fourteen (14) calendar days from the date of re-mailing, or (ii) the original Response Deadline, to submit a Request for Exclusion, Objection, or dispute. Re-mailed packets will clearly inform the recipient of this extended deadline. If a Notice Packet is returned as undeliverable more than once, no additional attempts at delivery will be made. No further action will be required of the Parties, Class Counsel, or Defendants' counsel to provide notice of the Settlement, and these individuals will be deemed Participating Settlement Class Members.

G. Option to Terminate Settlement. If more than ten percent (10%) of the Settlement Class Members opt out of the Settlement, Defendants may, in their discretion, withdraw from the Settlement, subject to paying any Settlement Administration expenses incurred to date. Defendants will meet and confer with Plaintiff's counsel before electing to withdraw pursuant to this provision. Defendants must exercise this option no later than ten (10) calendar days after the deadline for Settlement Class Members to submit requests for exclusion and objections.

11. **Final Approval**. Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiff will apply to the Court for entry of an Order:

A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;

B. Approving Plaintiff's and Class Counsel's application for attorneys' fees and costs, Class Representative Enhancement Payment, LWDA payment, and settlement administration costs; and

C. Entering judgment pursuant to California Rule of Court 3.769. Said judgment will be posted on the Settlement Administrator's website.

Class Counsel agrees to provide a copy of all final approval papers to Defendants' Counsel for review and comment reasonably in advance of submitting the papers to the Court.

12. **Non-Admission of Liability**. Defendants deny any liability or wrongdoing of any kind associated with the claims alleged in the Action or LWDA Letters, and nothing in this Settlement Agreement will operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

13. **Non-disclosure and Non-publication**. Plaintiff and Class Counsel agree not to disclose or publicize the Settlement Agreement contemplated herein, the fact of the Settlement Agreement, its terms or contents, or the negotiations underlying the Settlement Agreement, in any manner or form, directly or indirectly, to any person or entity, except to Settlement Class Members, as will be contractually required to effectuate the terms of the Settlement Agreement as set forth herein, or unless otherwise ordered by the Court. Class Counsel will not report this Settlement in any medium or in any publication, will not post or report anything regarding Plaintiff's claims on Class Counsel's website, and will not contact or respond to any reporters or media regarding the Settlement. Class Counsel are authorized to make a limited disclosure for the purpose of obtaining approval of the Settlement. For the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the names of the Parties in this Action, the venue/case number of this Action, and a general description of the Action, to a court in a declaration by Class Counsel.

14. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

15. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement will be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendant:	Nicole Golob, Fisher & Phillips LLP 444 South Flower Street, #1500, Los Angeles, California 90071 ngolob@fisherphillips.com
if to Plaintiff:	Fletcher W. Schmidt, Haines Law Group, APC 2155 Campus Drive, #180, El Segundo, California 90245 fschmidt@haineslawgroup.com

16. **Entire Agreement**. This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

17. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together will be deemed to constitute one and the same instrument.

18. **Continuing Jurisdiction.** To the extent consistent with class action procedure, this Settlement Agreement will be enforceable by the Court pursuant to California Code of Civil Procedure § 664.6. The Court will retain continuing jurisdiction over the Action and over all Parties and Settlement Class Members for the purpose of enforcing, interpreting, implementing, and effecting the terms and intent of this Settlement Agreement. The Court will also retain jurisdiction to adjudicate any claimed breaches of this Settlement Agreement.

19. **Enforcement Action**. In the event that one more of the parties institutes any legal action or other proceeding against any other party or parties to enforce the provisions of this agreement or to declare rights and/or obligations under this agreement, the successful party or parties will be entitled to recover from the unsuccessful party or parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement action.

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[SIGNATURES BEGIN ON FOLLOWING PAGE]

DATED: 05/01/25

B & J, LLC

By: Dana McClure
Dana McClure (May 1, 2025 14:17 PDT)

DATED: 05/01/25

BERNARD KARCHER INVESTMENTS, INC.

By: Dana McClure
Dana McClure (May 1, 2025 14:17 PDT)

DATED: 05/01/25

STAR GOALS, LLC

By: Dana McClure
Dana McClure (May 1, 2025 14:17 PDT)

DATED:

GUADALUPE SANCHEZ

By:______________________________
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: May 1, 2025

FISHER & PHILLIPS LLP

By:______________________________
Nicole Golob
Harrison Thorne
Attorneys for Defendants

DATED:

HAINES LAW GROUP, APC

By:______________________________
Paul K. Haines
Fletcher W. Schmidt
Andrew J. Rowbotham
Attorneys for Plaintiff

DATED: B & J, LLC

By:______________________________

DATED: BERNARD KARCHER INVESTMENTS, INC.

By:______________________________

DATED: STAR GOALS, LLC

By:______________________________

DATED: 05/01/2025 GUADALUPE SANCHEZ

By:______________________________
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: FISHER & PHILLIPS LLP

By:______________________________
Nicole Golob
Harrison Thorne
Attorneys for Defendants

DATED: May 1, 2025 HAINES LAW GROUP, APC

By:______________________________
Paul K. Haines
Fletcher W. Schmidt
Andrew J. Rowbotham
Attorneys for Plaintiff

EXHIBIT B

NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT
Guadalupe Sanchez v. B & J, LLC
Riverside County Superior Court
Case No.: CVRI2400579

To: All current and former non-exempt employees who work or worked for Defendant B & J, LLC in California between February 2, 2020 and March 24, 2025, and all current and former non-exempt employees who work or worked for Defendants Bernard Karcher Investments, Inc. and Star Goals, LLC in California between February 1, 2021 and March 24, 2025.

PLEASE READ CAREFULLY
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT
THIS NOTICE IS BEING PROVIDED IN ENGLISH AND SPANISH

Why should you read this Notice?

The Court has granted preliminary approval of a proposed settlement (the "Settlement") in the matter of *Guadalupe Sanchez v. B & J, LLC*, Riverside County Superior Court Case No. CVRI2400579 (the "Action"). Because your rights may be affected by the Settlement, it is important that you read this Notice carefully.

You may be entitled to money from this Settlement. Defendants B & J, LLC, Bernard Karcher Investments, Inc., and Star Goals, LLC's (hereinafter "Defendants") records show that you are or were employed by B & J, LLC in California between February 2, 2020 and March 24, 2025, and/or are or were employed by Bernard Karcher Investments, Inc., and Star Goals, LLC in California between February 1, 2021 and March 24, 2025 (the "Class Period"). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this Notice is to provide you with a brief description of the Action, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound to the terms of the Settlement and any final judgment. If final judgment is entered in this case, it will be posted to the Settlement Administrator's website, <<WEBSITE URL>>.

What is this case about?

Plaintiff Guadalupe Sanchez ("Plaintiff") brought this Action against Defendants, seeking to assert claims on behalf of a class of all current and former non-exempt employees who work or worked for Defendants in California during the Class Period. Plaintiff is known as the "Class Representative," and her attorneys, who also represent the interests of all Settlement Class members, are known as "Class Counsel."

In the Action, Plaintiff alleges that Defendants: (1) failed to pay all minimum wages; (2) failed to pay all overtime wages; (3) failed to reimburse necessary business expenses; (4) failed to provide compliant meal periods; (5) failed to authorize and permit compliant rest periods; (6) failed to furnish accurate, itemized wage statements; (7) engaged in unlawful and unfair business practices; (8) are liable for civil penalties under the Private Attorneys General Act ("PAGA"); and (9) failed to timely pay all wages owed upon separation of employment.

A PAGA action is a form of representative enforcement action that permits employee plaintiffs to act on behalf of the State of California to enforce Labor Code provisions. Acting as a private attorney general, an "aggrieved employee" who has experienced at least one Labor Code violation may bring a PAGA claim to recover civil penalties for the employer's violations. Seventy-five percent (75%) of any penalties recovered are paid to the Labor and Workforce Development Agency ("LWDA"), and the remaining twenty-five percent (25%) is distributed among all aggrieved employees.

Defendants deny that they have done anything wrong. Defendants also deny that they owe Settlement Class members any wages, restitution, penalties, damages, or other amounts. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Defendants, which expressly deny all liability.

The Court has not ruled on the merits of Plaintiff's claims. The Court has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate and reasonable. Any final determination of whether the proposed Settlement is fair, adequate, and reasonable will be made at the Final Approval Hearing. However, to avoid additional expense, inconvenience, and interference with its business operations, Defendants have concluded that it is in their best interests to settle the Action on the terms summarized in this Notice. After Defendants provided relevant information to Class Counsel, the Settlement was reached after mediation and arm's length negotiations between the parties.

Plaintiff and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Defendants, the inherent risk of trial on the merits, and the delays and uncertainties associated with ongoing litigation.

If you are still employed by Defendants, your decision about whether to participate in the Settlement will not affect your employment. California law and Defendants' policy strictly prohibit unlawful retaliation. Defendants will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class member because of his/her decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for Plaintiff/Settlement Class: **HAINES LAW GROUP, APC** Paul K. Haines phaines@haineslawgroup.com Fletcher W. Schmidt fschmidt@haineslawgroup.com Andrew J. Rowbotham arowbotham@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 haineslawgroup.com	Attorneys for Defendants: **FISHER & PHILLIPS LLP** Nicole Golob ngolob@fisherphillips.com Harrison Thorne hthorne@fisherphillips.com 444 South Flower Street, Suite 1500 Los Angeles, CA 90070 Tel: (213) 330-4500 Fax: (213) 330-4501

What are the terms of the Settlement?

On <<PRELIM APPROVAL DATE>>, the Court preliminarily certified a class, for settlement purposes only, of all current and former non-exempt employees who work or worked for Defendants during the Class Period. Settlement Class members who do not opt-out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Defendants as described below.

Defendants have agreed to pay $1,125,000.00 (the "Maximum Settlement Amount") to fully resolve all claims in the Action, including payments to Settlement Class members, Class Counsel's attorneys' fees and expenses, Settlement administration costs, payment to the LWDA, and the Class Representative's Enhancement Payment.

Defendants will fund the settlement by depositing the Maximum Settlement Amount with the Settlement Administrator within thirty (30) calendar days after the Effective Date. The Effective Date is defined as the later of: (a) if no objections are filed or if all objections are withdrawn, the date on which the Court grants Final Approval; (b) if any objections are filed and not withdrawn, the deadline to file an appeal passes with no appeal filed; or (c) if any appeals are filed, the date when all appeals are resolved or withdrawn without altering the Settlement terms.

The following deductions from the Maximum Settlement Amount will be requested by the parties:

Attorneys' Fees and Expenses. Class Counsel have been prosecuting the Action on behalf of Settlement Class members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Maximum Settlement Amount. Settlement Class members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for up to one-third of the Maximum Settlement Amount, which is currently estimated at $375,000.00, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Action through Settlement finalization. Class Counsel also will ask for reimbursement of up to $35,000.00 in verified costs incurred in connection with the Action.

Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved setting aside up to $12,000.00 from the Maximum Settlement Amount to pay the settlement administration costs.

Class Representative Enhancement Payment. Class Counsel will ask the Court to award the Class Representative an Enhancement Payment of $7,500.00, to compensate her for her service and extra work provided on behalf of Class Members.

PAGA Payment to State of California and PAGA Aggrieved Employees. The Parties have agreed to allocate $100,000.00 towards the Settlement of the PAGA claims in the Action. $75,000.00 will be paid to the LWDA, representing its 75% share of the civil penalties. The remaining $25,000.00 will be allocated to Aggrieved Employees as the "PAGA Amount" as described below.

Calculation of Settlement Awards. After deducting the Court-approved amounts above, the balance of the Maximum Settlement Amount will form the Net Settlement Amount ("NSA"), which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion (described below). Payments to Settlement Class members will be calculated as follows:

(i) The NSA will be allocated among Settlement Class Members based on the number of workweeks each Settlement Class Member worked for Defendants as a non-exempt employee during the Class Period. The Settlement Award for each Settlement Class Member will be calculated by multiplying the NSA by a fraction, the numerator of which is the individual's total workweeks worked during the Class Period, and the denominator of which is the total number of workweeks worked by all Settlement Class Members during the Class Period.

(ii) PAGA Amount. $25,000.00 of the Maximum Settlement Amount is designated as the "PAGA Amount." Each current and former non-exempt employee who worked for Defendants B & J, LLC, Bernard Karcher Investments, Inc., or Star Goals, LLC in California at any time between February 1, 2023, and March 24, 2025 (the "PAGA Period") will receive a share of the PAGA Amount in proportion to the number of pay periods worked during the PAGA Period. Each individual's share will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the total number of pay periods worked by that individual during the PAGA Period, and the denominator of which is the total number of pay periods worked by all PAGA Aggrieved Employees during the PAGA Period.

The average Settlement Payment to Settlement Class members is estimated at <<AVERAGE PAYMENT>>. The lowest Settlement Payment to a Settlement Class member is estimated at <<LOWEST PAYMENT>>. The highest Settlement Payment to a Settlement Class member is estimated at <<HIGHEST PAYMENT>>.

Allocation and Taxes. For tax purposes, each Settlement Payment shall be allocated as follows: any payment made from the PAGA Amount shall be treated as 100% penalties. Any payment made from the NSA shall be allocated as twenty percent (20%) wages and eighty percent (80%) penalties and interest. The Settlement Administrator will be responsible for issuing participating Settlement Class members IRS Forms W-2 for the amounts allocated as "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Settlement Class members are responsible for the proper income tax treatment of the settlement awards. The Settlement Administrator, Defendants and their counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Employer-side payroll taxes will be paid separately by Defendants and will not be deducted from the Maximum Settlement Amount.

Release. Plaintiff and every member of the Settlement Class (except those who opt-out) will fully release and discharge Defendants, and all of their officers, directors, employees, and agents (collectively the "Released Parties") from all claims stated in the operative complaint and those based upon the facts alleged in the operative complaint. This release is limited to claims arising during the Class Period.

In addition, Plaintiff and the State of California release the Released Parties from any claim for civil penalties under California Labor Code Private Attorneys General Act of 2004 arising out of or based on the facts alleged in Plaintiff's letters dated February 2, 2024 and April 11, 2025 to the Labor & Workforce Development Agency ("LWDA"), and only to the extent they are alleged in the operative complaint.

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate, and in the best interests of the Settlement Class, and the entry of a Judgment.

How can I claim money from the Settlement?

Do Nothing. You do not need to take any action if you wish to receive a payment under the Settlement. If you do nothing, you will be entitled to your Settlement Award based on the number of workweeks you worked for Defendants in California during the Class Period, and/or the number of pay periods you worked during the PAGA Period. You will also be bound by the terms of the Settlement, including the release of claims described in this Notice.

What other options do I have?

Disputing Information in Notice. Your estimated Settlement Award has been calculated and is listed in the enclosed Dispute Form. As explained above, your estimated Settlement Award is based on the number of workweeks you worked for Defendants in California during the Class Period and the number of pay periods you worked for Defendants in California during the PAGA Period. The information from Defendants' records used to calculate your Settlement Award is included in your Dispute Form. If you believe the information in that Notice is incorrect, you may submit a written dispute along with any documents supporting your position. Any dispute and supporting documentation must be mailed to the Settlement Administrator and postmarked no later than <<RESPONSE DEADLINE>>. Do not send original documents. Anything you send will not be returned or preserved.

The Settlement Administrator may contact you for clarification and will consult with the Parties to determine whether an adjustment is warranted. Under the terms of the Settlement Agreement, the Settlement Administrator will determine whether you are eligible for a Settlement Award and the amount of that award, if any. The Settlement Administrator's decision will be final and binding.

Exclude Yourself from the Settlement. If you do not wish to participate in the class action portion of the Settlement, you may exclude yourself by submitting a signed Request for Exclusion Form to the Settlement Administrator. The Request for Exclusion Form must include your name, address, telephone number, and signature, and must be postmarked no later than <<RESPONSE DEADLINE>>. A copy of the Request for Exclusion Form is included with this Notice.

Send the completed Request for Exclusion Form directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. If you submit a timely and valid Request for Exclusion, you will no longer be a Settlement Class Member and will not receive a Settlement Award. However, you may not opt out of the PAGA portion of the Settlement, and you will still receive a share of the PAGA Amount, as described above.

Do not submit both a Dispute and a Request for Exclusion. If you submit both, your Request for Exclusion will be considered invalid. You will remain a Settlement Class Member and will be bound by the terms of the Settlement.

Objecting to the Settlement. If you do not exclude yourself from the Settlement, you have the right to object to the class action portion of the Settlement. However, you may not object to the PAGA portion of the Settlement. If the Court overrules your objection, you will still be bound by the terms of the Settlement.

To object, you may submit a written Objection Form to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Your written objection must include your name, address, the case name and number (*Guadalupe Sanchez v. B & J, LLC*, Riverside County Superior Court Case No. CVRI2400579), and a detailed explanation of each reason for your objection. If you are represented by an attorney, you must also provide your attorney's contact information. You may attach legal or factual support for your objection, including any evidence. Objections must be in writing and must be postmarked on or before <<RESPONSE DEADLINE>>. An Objection Form is included with this Notice.

You may also appear at the Final Approval Hearing, currently scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department 1 of the Riverside County Superior Court, located at 4050 Main Street, Riverside, California 92501. You may appear either in person or through your own attorney at your own expense.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department 1 of the Riverside County Superior Court, located at 4050 Main Street, Riverside, California 92501. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses and the Class Representative Enhancement Payment. The Final Approval Hearing may be postponed without further notice to the Settlement Class. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing. **You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing.**

How can I get additional information?

This Notice is only a summary of the Action and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the Riverside County Superior Court, located at 4050 Main Street, Riverside, California 92501, during regular court hours. You may also view the case file online at www.riverside.courts.ca.gov by going to the "Search Court Records" tab, selecting "Civil, Small Claims and Unlawful Detainer Case Information," and entering the case number information. This case is assigned to Department 1 of the Riverside Historic Courthouse, located at 4050 Main Street, Riverside, California 92501. The Settlement Agreement is attached as Exhibit 1 to the Declaration of Andrew J. Rowbotham In Support of Plaintiff's Motion For Preliminary Approval of Class Action Settlement, filed on <<PA MOTION FILING DATE>>. The Settlement Administrator has also hosted a website with documents and information related to this Settlement at <<WEBSITE URL>>. You may also contact Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT, DEFENDANTS, OR THEIR ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is **<<RESPONSE DEADLINE>>**. These deadlines will be strictly enforced.

<u>DISPUTE FORM</u>

Guadalupe Sanchez v. B & J, LLC,
Riverside County Superior Court
Case No.: CVRI2400579

IF YOU BELIEVE THAT THE NUMBER OF WORKWEEKS OR PAY PERIODS LISTED BELOW IS INCORRECT, YOU MAY DISPUTE THE INFORMATION BY SUBMITTING DOCUMENTATION SHOWING THE CORRECT NUMBER OF WORKWEEKS OR PAY PERIODS YOU BELIEVE YOU WORKED DURING THE RELEVANT TIME PERIODS. ALL DISPUTES MUST BE MAILED OR DELIVERED DIRECTLY TO THE SETTLEMENT ADMINISTRATOR: PHOENIX SETTLEMENT ADMINISTRATORS <<INSERT ADMINISTRATOR CONTACT INFO>>

DEADLINE: ALL DISPUTES MUST BE POSTMARKED OR DELIVERED ON OR BEFORE <<RESPONSE DEADLINE>>.

According to Defendants' records:

- You <<DID/DID NOT>> work for B & J, LLC in California between February 2, 2020 and March 24, 2025;
- You <<DID/DID NOT>> work for Bernard Karcher Investments, Inc. and/or Star Goals, LLC in California between February 1, 2021 and March 24, 2025;
- You worked ____ workweeks for B & J, LLC in California between February 2, 2020 and March 24, 2025;
- There were a total of ____ workweeks worked for B & J, LLC in California by all Class Members between February 2, 2020 and March 24, 2025;
- You worked ____ workweeks for Bernard Karcher Investments, Inc. and/or Star Goals, LLC in California between February 1, 2021 and March 24, 2025;
- There were a total of ____ workweeks worked for Bernard Karcher Investments, Inc. and/or Star Goals, LLC in California by all Class Members between February 1, 2021 and March 24, 2025;
- You worked ____ pay periods for B & J, LLC, Bernard Karcher Investments, Inc. and/or Star Goals, LLC in California between February 1, 2023 and March 24, 2025; and
- There were a total of ____ pay periods worked for B & J, LLC, Bernard Karcher Investments, Inc. and/or Star Goals, LLC in California by all PAGA Aggrieved Employees between February 1, 2023 and March 24, 2025.

Based on this information, your Individual Class Settlement Payment is estimated to be $_____. Your Individual PAGA Settlement Payment is estimated to be $_____.

<u>Provide any evidence to support what you believe is your actual number of workweeks and pay periods during the relevant time periods. Please attach additional pages if necessary:</u>

____

____

____

____

____

____

<u>REQUEST FOR EXCLUSION FORM</u>

Guadalupe Sanchez v. B & J, LLC
Riverside County Superior Court
Case No.: CVRI2400579

IF YOU *<u>DO NOT</u>* WISH TO BE PART OF THE CLASS ACTION SETTLEMENT, YOU MUST *<u>COMPLETE</u>*, *<u>SIGN</u>*, AND *<u>MAIL, FAX</u>*, OR DELIVER THIS FORM, POSTMARKED ON OR BEFORE <<RESPONSE DEADLINE>>, ADDRESSED AS FOLLOWS:

[INSERT SETTLEMENT ADMINISTRATOR] ***Guadalupe Sanchez v. B & J, LLC*** **SETTLEMENT ADMINISTRATOR** **<<INSERT ADMINISTRATOR CONTACT INFO>>**

DO <u>NOT</u> SUBMIT THIS FORM IF YOU WISH TO BE PART OF THE CLASS ACTION SETTLEMENT. DO NOT SUBMIT THIS FORM TO THE COURT.

By signing, filling out, and returning this form, I confirm that I ***<u>do not</u>*** want to be included in the Settlement of the lawsuit entitled *Guadalupe Sanchez v. B & J, LLC*, Riverside County Superior Court Case No. CVRI2400579.

I HAVE READ THE NOTICE TO SETTLEMENT CLASS AND I WISH TO OPT OUT OF THE SETTLEMENT CLASS IN *GUADALUPE SANCHEZ V. B & J, LLC*, RIVERSIDE SUPERIOR COURT CASE NO. CVRI2400579.

I UNDERSTAND THAT IF I OPT OUT FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE MONEY FROM THE CLASS SETTLEMENT OF THIS LAWSUIT. HOWEVER, I MAY STILL BE ENTITLED TO RECEIVE A PORTION OF THE SETTLEMENT OF THE CLAIMS BROUGHT PURSUANT TO THE LABOR CODE PRIVATE ATTORNEYS GENERAL ACT OF 2004 (“PAGA”) AS DESCRIBED IN THE ACCOMPANYING NOTICE TO SETTLEMENT CLASS.

____

Name　　　　　　　　　　　　　　Last Four Digits of Social Security Number

____

Address

____

Date　　　　　　　　　　　　　　　　　　　　Signature

OBJECTION FORM

Guadalupe Sanchez v. B & J, LLC,
Riverside County Superior Court
Case No.: CVRI2400579

ALL OBJECTIONS MUST BE MAILED OR DELIVERED DIRECTLY TO THE SETTLEMENT ADMINISTRATOR, PHOENIX SETTLEMENT ADMINISTRATORS AT <<INSERT ADMINISTRATOR CONTACT INFO>>. ALL OBJECTIONS MUST BE POSTMARKED OR DELIVERED ON OR BEFORE <<RESPONSE DEADLINE>>. SUBMITTING THIS FORM DOES NOT REQUIRE YOU TO APPEAR IN COURT. THE COURT WILL CONSIDER YOUR OBJECTION WHETHER OR NOT YOU APPEAR.

OBJECTING CLASS MEMBER INFORMATION:

____
Name　　　　　　　　　　　　　　　　　　　　　　　　Telephone Number

____
Address　　　　　　　　　　　　　　　　　　　　　　　　Last 4 SSN

____
Date　　　　　　　　　　　　　　　　　　　　　　　　　Signature

DESCRIBE THE NATURE AND BASIS OF EACH OBJECTION AND PLEASE ATTACH ADDITIONAL PAGES IF NECESSARY:

____

____

____

____

____

____

EXHIBIT C

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

April 11, 2025

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: *Guadalupe Sanchez v. B & J, LLC*
LWDA Case No.: LWDA-CM-1008943-24

To Whom It May Concern:

This letter supplements the letter sent by my office on February 2, 2024, on behalf of Guadalupe Sanchez (the "February PAGA Letter") regarding Labor Code violations committed by B & J, LLC, and DOES 1 through 100 against Ms. Sanchez and other aggrieved employees (defined below). A copy of the February PAGA Letter is attached hereto as **Exhibit 1** and incorporated herein by reference.

On April 8, 2024, after exhausting her pre-filing requirements, Ms. Sanchez amended her pending lawsuit, *Guadalupe Sanchez v. B & J, LLC*, Riverside County Superior Court, Case No. CVRI2400579, to allege a cause of action for civil penalties under the Private Attorneys General Act ("PAGA") premised upon the allegations asserted in the February PAGA Letter. After filing the complaint, Ms. Sanchez, being ignorant of the true names of joint employers Bernard Karcher Investments, Inc. and Star Goals, LLC, designated them in the complaint by the fictitious names of DOES 1 and 2.

In addition to the allegations set forth in the February PAGA Letter regarding violations committed by B & J, LLC, Ms. Sanchez supplements the previous letter to identify Bernard Karcher Investments, Inc. and Star Goals, LLC as additional defendant entities and joint employers of Ms. Sanchez and the aggrieved employees. Upon information and belief, Bernard Karcher Investments, Inc. and Star Goals, LLC exercised control over the wages, hours, and working conditions of Ms. Sanchez and the aggrieved employees, jointly employed them, and/or suffered or permitted them to work.

B & J, LLC, Bernard Karcher Investments, Inc., and Star Goals, LLC are referred to herein as "Defendants." For purposes of this notice, "aggrieved employees" shall include all current and former non-exempt employees who work or worked for Defendants in California between February 1, 2023, and March 24, 2025.

Defendants operate a chain of “Carl’s Jr.” restaurants, including approximately 18 locations in the state of California. Ms. Sanchez was employed by Defendants as a non-exempt employee from approximately 2006 to approximately 2025. Ms. Sanchez began her employment with Defendants in an entry level position and eventually held the non-exempt position of "Assistant Manager."

Defendants' timekeeping policies and/or practices resulted in Ms. Sanchez and other aggrieved employees not being compensated for all hours actually worked. Specifically, Defendants frequently required Ms. Sanchez to deliver and/or pick up inventory and supplies from other locations and the warehouse on her way to or from work (i.e. before clocking in for the day or after clocking out for the day). Defendants did not provide any way to record the time spent performing this required work activity. Defendants would also contact Ms. Sanchez by phone while she was not working to ask her to answer questions while off-the-clock, again without any method of recording her time spent on this required work activity. Further, on the rare occasions that Ms. Sanchez was able to take a meal period, she was told not to use the break room but instead to remain in the main lobby so that she could keep an eye on the restaurant's operations, which again constituted a required work activity that was not credited in her timekeeping records. As a result of these policies and practices, Defendants have deprived Ms. Sanchez and other aggrieved employees of all minimum and overtime wages earned.

Additionally, Defendants paid Ms. Sanchez and other aggrieved employees non-discretionary incentive pay and/or other forms of pay that are not excludable from an employee's "regular rate" of compensation including, but not limited to, payments denoted in their wage statements as "Bonus," or other forms of bonuses or incentives (hereinafter referred to as "Incentive Pay"). Despite paying Ms. Sanchez and other aggrieved employees Incentive Pay, Defendants failed to properly incorporate the value of the Incentive Pay earned by Ms. Sanchez and other aggrieved employees when calculating their respective regular rates of pay, resulting in unpaid overtime wages.

Defendants frequently contacted employees on their cellular phones, including requiring employees to participate in a mandatory group text thread. Despite requiring Ms. Sanchez and other aggrieved employees to utilize their personal cell phones for work purposes, during at least a portion of the liability period Defendants failed to offer any reimbursement to employees for the expenses associated with using their personal cell phones, as mandated by *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137 (2014), and Labor Code §§ 2802 and 2804. As identified above, Defendants also required Plaintiff and other non-exempt employees to use their personal vehicles for work purposes, including to drop off and pick up inventory and supplies from Defendant's other locations. However, Defendants never reimbursed Ms. Sanchez or other aggrieved employees for the expenses associated with using their personal vehicles, including mileage. Defendants also required Ms. Sanchez and other aggrieved employees to purchase uniform jackets bearing Defendants' name and logo, without reimbursement. As a result, Defendants failed to reimburse Ms. Sanchez and other aggrieved employees for all of their necessary work expenditures.

Throughout Ms. Sanchez employment with Defendants, Defendants maintained an unlawful meal period policy and/or practice that failed to provide Ms. Sanchez or other aggrieved employees with timely, uninterrupted, duty-free 30-minute meal periods commencing before the end of the fifth hour of work. Defendants failed to schedule employees' meal periods and informed employees that they were supposed to take a meal break when they had time. This policy/practice frequently meant that employees were not able to take a compliant meal break due staffing shortages and work demands. Furthermore, when Ms. Sanchez was able to take a meal period, it was not duty-free and would usually be short or interrupted. Specifically, Ms. Sanchez was informed by her district manager that she was not allowed to take breaks in the breakroom or leave the premises (even when clocked out for meal periods) because she still needed supervise the store. Additionally, since Defendants' meal period policy only provided a single meal period per shift, regardless of the length of the shift, Defendants denied Ms. Sanchez or other aggrieved employees a second meal period for shifts worked in excess of 10 hours in violation of Labor Code § 512, and Wage Order 5 § 11. Despite Defendants' failure to provide Ms. Sanchez and other aggrieved employees with all legally-required meal periods to which they are entitled, Defendants failed to compensate Ms. Sanchez and other aggrieved employees with an additional hour of premium pay at their respective regular rates of pay for each workday in which a meal period violation occurred, as required by Labor Code § 226.7.

Defendants also failed to authorize and permit Ms. Sanchez and other aggrieved employees to take all duty-free 10-minute rest periods for every four hours worked, or major fraction thereof, due to Defendants' unlawful rest period policies/practices. Due to Defendants' staffing issues and work demands, Ms. Sanchez and other aggrieved employees were routinely denied the opportunity to take one or more rest periods each workday, including third rest periods when working in excess of 10 hours in a workday. Additionally, even in the event that Ms. Sanchez was able to take a rest period, as with meal periods, she was told that she could not use the breakroom and had to remain on restaurant premises in the lobby area, and would frequently be interrupted during her rest periods as a result. Despite Defendants' failure to authorize and permit Ms. Sanchez and other aggrieved employees to take all legally-required rest periods to which they are entitled, Defendants failed to compensate Ms. Sanchez and other aggrieved employees with an additional hour of premium pay at their respective regular rates of pay for each workday in which a rest period violation occurred, as required by Labor Code § 226.7.

Defendants also failed to pay Ms. Sanchez and other aggrieved employees all sick pay wages owed to them. Defendants' policies and practices dictated that sick pay payments be made at an employee's base rate of pay, as opposed to their regular rate of pay. Because Ms. Sanchez and other non-exempt employees received Incentive Pay that was required to be included in their regular rate of pay, but were not, Ms. Sanchez and other aggrieved employees have not been paid all sick pay wages owed to them.

As a result of Defendants' failure to pay all minimum wages owed, overtime wages owed, meal and rest period premium wages owed, and sick pay wages owed, Defendants maintained inaccurate payroll records and issued inaccurate wage statements to Ms. Sanchez and other aggrieved employees

As described above, Defendants committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 5 (“Wage Order 5”):

Minimum Wage Violations

Defendants failed to conform their pay practices to the requirements of the law. This unlawful conduct includes Defendants’ failure to pay Ms. Sanchez and other aggrieved employees for all hours worked including, but not limited to, all hours they were subject to the control of Defendants and/or suffered or permitted to work under the California Labor Code and Wage Order 5. Wage Order 5, § 4 and California Labor Code §§ 1197 and 1182.12 establish the right of employees to be paid minimum wages for all hours worked, in amounts set by state law. California Labor Code § 1198 makes unlawful the employment of an employee under conditions that the Industrial Welfare Commission prohibits. California Labor Code §§ 1194(a) and 1194.2(a) provide that an employer who has failed to pay its employees the legal minimum wage is liable to pay those employees the unpaid balance of the unpaid wages as well as liquidated damages in an amount equal to the wages due and interest thereon.

Overtime Wage Violations

Defendants were required to properly pay Ms. Sanchez and other aggrieved employees for all overtime hours worked pursuant to California Labor Code § 1194 and Wage Order 5. Wage Order 5, § 3 requires an employer to pay an employee “one and one-half (1½) times the employee’s regular rate of pay” for work in excess of 8 hours per work day and/or in excess of 40 hours of work in the workweek. Defendants caused Ms. Sanchez and other aggrieved employees to work overtime hours but did not compensate Ms. Sanchez or other aggrieved employees at one and one-half times their regular rate of pay for all such hours.

Failure to Reimburse Necessary Business Expenses

Defendants failed to reimburse Ms. Sanchez and other aggrieved employees for their purchase of tools necessary to complete their job duties, including levelers, among other items. Defendants’ policy of not providing reimbursement for necessary work-related expenses violates Wage Order 5, § 9, and Labor Code §§ 2802 and 2804 (“An employer shall indemnify her or her employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer.”) Ms. Sanchez and other aggrieved employees are therefore entitled to reimbursement of such unpaid work expenses with interest.

Meal Period Violations

As alleged above, Defendants failed to provide Ms. Sanchez and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 5, § 11. As a result, Ms. Sanchez and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with … [an] order of the Industrial Welfare Commission … the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.").

Rest Period Violations

As described above, Defendants also failed to authorize and permit Ms. Sanchez and similarly aggrieved employees to take all required and compliant rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 5, § 12. As a result, Ms. Sanchez and similarly aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that all rest periods were not authorized and permitted. See Labor Code § 226.7.

Sick Time Pay Violations

Defendants were required to properly pay Ms. Sanchez and other aggrieved employees for all vested sick time at their regular rate of compensation pursuant to Labor Code § 246. Defendants compensated Ms. Sanchez other aggrieved employees at their base rate of pay but did not compensate Ms. Sanchez or other aggrieved employees at their regular rate of pay for all such hours.

Wage Statement Violations

Defendants knowingly and intentionally, as a matter of uniform policy and practice, failed to furnish Ms. Sanchez and other aggrieved employees with complete and accurate wage statements with respect to gross wages earned, total hours worked, net wages earned, all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee, in violation of Labor Code § 226 *et seq*. Defendants' failures in furnishing Ms. Sanchez and other aggrieved employees with complete and accurate itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all overtime and minimum wages as well as meal and rest period premium wages and deprived them of the information necessary to identify the discrepancies in Defendants' reported data and whether they have been paid all wages earned.

Waiting Time Penalties

Labor Code §§ 201-203 require an employer to pay all wages earned immediately at the time of separation of employment in the event the employer discharges the employee, or if the employee provides at least 72 hours of notice of his/her intent to quit. In the event the employee provides less than 72 hours of his/her intent to quit, said employee's wages become due and payable no later than 72 hours upon said employee's last date of employment. Defendants failed to timely pay Ms. Sanchez and other aggrieved employees all final wages due to them at the time of their separation, which includes, among other things, overtime and minimum wages, meal and rest period premium wages, and underpaid sick pay wages. Further, as a matter of uniform policy and practice, Defendants continue to fail to pay aggrieved employees all earned wages at the end of employment in a timely manner pursuant to Labor Code §§ 201-203. Defendants' failure to pay all final wages was willful within the meaning of Labor Code § 203. Defendants' willful failure to timely pay Ms. Sanchez and other aggrieved employees their earned wages upon separation from employment, results in a continued payment of wages up to thirty (30) days from the time the wages were due.

As an "aggrieved employee," Ms. Sanchez will initiate a civil action on behalf of herself and other aggrieved employees to recover damages, statutory penalties, and civil penalties (including an amount equal to the unpaid wages) resulting from the wage and hour violations alleged herein. Based on Ms. Sanchez's own investigation, and on information and belief, Defendants committed and continue to commit the following Labor Code violations:

a. Defendants violated Labor Code §§ 1182.12, 1194, 1194.2, and 1197 by failing to pay Ms. Sanchez and other aggrieved employees the statutory minimum wage for all hours worked;

b. Defendants violated Labor Code §§ 204, 510, 558, 1194 and 1198 by failing to pay Ms. Sanchez and other aggrieved employees all overtime compensation earned;

c. Defendants violated Labor Code §§ 2802 and 2804 by failing to reimburse Ms. Sanchez and other aggrieved employees for all work-related expenses incurred;

d. Defendants violated Labor Code §§ 226.7, 512, and 558 by failing to provide all meal periods as required by law and failing to pay meal period premiums to Ms. Sanchez and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;

e. Defendants violated Labor Code §§ 226.7, 516, and 558 by failing to authorize and permit Ms. Sanchez and other similarly aggrieved employees to take all of their statutorily mandated, duty-free rest periods and failing to pay rest period premiums to Ms. Sanchez and other aggrieved employees at these employees' respective regular rates of pay for rest period violations;

f. Defendants violated Labor Code § 246 by failing to pay Ms. Sanchez and other aggrieved employees sick time pay at their regular rate of compensation;

g. Defendants violated Labor Code § 226 by failing to furnish Ms. Sanchez and other aggrieved employees with accurate and compliant itemized wage statements;

h. Defendants violated Labor Code §§ 201-203 by failing to timely pay all final wages due to Ms. Sanchez and other aggrieved employees;

i. Defendants violated Labor Code § 204 by failing to pay Ms. Sanchez and other aggrieved employees all wages earned at least twice during each calendar month; and

j. Defendants violated Labor Code §§ 558 and 1174 by failing to maintain accurate records on behalf of Ms. Sanchez and aggrieved employees.

Pursuant to Labor Code § 2699.3, please notify us and Defendants if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC

Andrew J. Rowbotham, Esq.

cc: B & J, LLC c/o Nicole Golob, Esq., Fisher & Phillips, LLP, 21600 Oxnard Street, Suite 650, Woodlan Hills, CA 91367 (via certified mail)
Bernard Karcher Investments, Inc., c/o Dana McClure, agent for service of process, 1631 Market St. Ste. B Corona, CA 92880 (via certified mail)
Star Goals, LLC c/o Dana McClure, agent for service of process, 1631 Market St. Ste. B Corona, CA 92880 (via certified mail)

EXHIBIT 1

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

February 2, 2024

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: *Guadalupe Sanchez v. B & J, LLC*

To Whom It May Concern:

Please be advised that this law firm represents Guadalupe Sanchez ("Ms. Sanchez") in claims arising from her employment with B & J, LLC, and Does 1 through 100 ("Defendants"). Ms. Sanchez is an "aggrieved employee" within the meaning of Labor Code § 2699.3 as to all of the violations alleged herein. *See Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal.App.5th 745, 754 ("any Labor Code penalties recoverable by state authorities may be recovered in a PAGA action by a person who was employed by the alleged violator and affected by at least *one* of the violations alleged in the complaint.") (emphasis added). The purpose of this letter is to comply with Labor Code § 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency ("LWDA") of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, "aggrieved employees" includes all of Defendants' non-exempt employees who worked for Defendants in California during the one year immediately preceding the date of this letter through the present.

Defendants operate a chain of "Carl's Jr." restaurants, including approximately 18 locations in the state of California. Ms. Sanchez has been employed by Defendants as a non-exempt employee from approximately 2006 to the present. Ms. Sanchez began her employment with Defendants in an entry level position and currently holds the non-exempt position of "Assistant Manager."

Defendants' timekeeping policies and/or practices resulted in Ms. Sanchez and other aggrieved employees not being compensated for all hours actually worked. Specifically, Defendants frequently required Ms. Sanchez to deliver and/or pick up inventory and supplies from other locations and the warehouse on her way to or from work (i.e. before clocking in for the day or after clocking out for the day). Defendants did not provide any way to record the time spent performing this required work activity. Defendants would also contact Ms. Sanchez by phone while she was not working to ask her to answer questions while off-the-clock, again without any method of recording her time spent on this required work activity. Further, on the rare occasions that Ms. Sanchez was able to take a meal period, she was told not to use the break room but instead to remain in the main lobby so that she could keep an eye on the restaurant's operations, which again constituted a required work activity that was not credited in her timekeeping records. As a result of these policies and practices, Defendants have deprived Ms. Sanchez and other aggrieved employees of all minimum and overtime wages earned.

Additionally, Defendants paid Ms. Sanchez and other aggrieved employees non-discretionary incentive pay and/or other forms of pay that are not excludable from an employee's "regular rate" of compensation including, but not limited to, payments denoted in their wage statements as "Bonus," or other forms of bonuses or incentives (hereinafter referred to as "Incentive Pay"). Despite paying Ms. Sanchez and other aggrieved employees Incentive Pay, Defendants failed to properly incorporate the value of the Incentive Pay earned by Ms. Sanchez and other aggrieved employees when calculating their respective regular rates of pay, resulting in unpaid overtime wages.

Defendants frequently contacted employees on their cellular phones, including requiring employees to participate in a mandatory group text thread. Despite requiring Ms. Sanchez and other aggrieved employees to utilize their personal cell phones for work purposes, during at least a portion of the liability period Defendants failed to offer any reimbursement to employees for the expenses associated with using their personal cell phones, as mandated by *Cochran v. Schwan's Home Service, Inc*., 228 Cal. App. 4th 1137 (2014), and Labor Code §§ 2802 and 2804. As identified above, Defendants also required Plaintiff and other non-exempt employees to use their personal vehicles for work purposes, including to drop off and pick up inventory and supplies from Defendant's other locations. However, Defendants never reimbursed Ms. Sanchez or other aggrieved employees for the expenses associated with using their personal vehicles, including mileage. Defendants also required Ms. Sanchez and other aggrieved employees to purchase uniform jackets bearing Defendants' name and logo, without reimbursement. As a result, Defendants failed to reimburse Ms. Sanchez and other aggrieved employees for all of their necessary work expenditures.

Throughout Ms. Sanchez employment with Defendants, Defendants maintained an unlawful meal period policy and/or practice that failed to provide Ms. Sanchez or other aggrieved employees with timely, uninterrupted, duty-free 30-minute meal periods commencing before the end of the fifth hour of work. Defendants failed to schedule employees' meal periods and informed employees that they were supposed to take a meal break when they had time. This policy/practice frequently meant that employees were not able to take a compliant meal break due staffing shortages and work demands. Furthermore, when Ms. Sanchez was able to take a meal period, it was not duty-free and would usually be short or interrupted. Specifically, Ms. Sanchez was informed by her district manager that she was not allowed to take breaks in the breakroom or leave the premises (even when clocked out for meal periods) because she still needed supervise the store. Additionally, since Defendants' meal period policy only provided a single meal period per shift, regardless of the length of the shift, Defendants denied Ms. Sanchez or other aggrieved employees a second meal period for shifts worked in excess of 10 hours in violation of Labor Code § 512, and Wage Order 5 § 11. Despite Defendants' failure to provide Ms.

Sanchez and other aggrieved employees with all legally-required meal periods to which they are entitled, Defendants failed to compensate Ms. Sanchez and other aggrieved employees with an additional hour of premium pay at their respective regular rates of pay for each workday in which a meal period violation occurred, as required by Labor Code § 226.7.

Defendants also failed to authorize and permit Ms. Sanchez and other aggrieved employees to take all duty-free 10-minute rest periods for every four hours worked, or major fraction thereof, due to Defendants' unlawful rest period policies/practices. Due to Defendants' staffing issues and work demands, Ms. Sanchez and other aggrieved employees were routinely denied the opportunity to take one or more rest periods each workday, including third rest periods when working in excess of 10 hours in a workday. Additionally, even in the event that Ms. Sanchez was able to take a rest period, as with meal periods, she was told that she could not use the breakroom and had to remain on restaurant premises in the lobby area, and would frequently be interrupted during her rest periods as a result. Despite Defendants' failure to authorize and permit Ms. Sanchez and other aggrieved employees to take all legally-required rest periods to which they are entitled, Defendants failed to compensate Ms. Sanchez and other aggrieved employees with an additional hour of premium pay at their respective regular rates of pay for each workday in which a rest period violation occurred, as required by Labor Code § 226.7.

Defendants also failed to pay Ms. Sanchez and other aggrieved employees all sick pay wages owed to them. Defendants' policies and practices dictated that sick pay payments be made at an employee's base rate of pay, as opposed to their regular rate of pay. Because Ms. Sanchez and other non-exempt employees received Incentive Pay that was required to be included in their regular rate of pay, but were not, Ms. Sanchez and other aggrieved employees have not been paid all sick pay wages owed to them.

As a result of Defendants' failure to pay all minimum wages owed, overtime wages owed, meal and rest period premium wages owed, and sick pay wages owed, Defendants maintained inaccurate payroll records and issued inaccurate wage statements to Ms. Garcia and other aggrieved employees

As described above, Defendants committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 5 ("Wage Order 5"):

<u>Minimum Wage Violations</u>

Defendants failed to conform their pay practices to the requirements of the law. This unlawful conduct includes Defendants' failure to pay Ms. Sanchez and other aggrieved employees for all hours worked including, but not limited to, all hours they were subject to the control of Defendants and/or suffered or permitted to work under the California Labor Code and Wage Order 5. Wage Order 5, § 4 and California Labor Code §§ 1197 and 1182.12 establish the right of employees to be paid minimum wages for all hours worked, in amounts set by state law. California Labor Code § 1198 makes unlawful the employment of an employee under conditions that the Industrial Welfare Commission prohibits. California Labor Code §§ 1194(a) and 1194.2(a) provide that an employer who has failed to pay its employees the legal minimum wage is liable to pay those employees the unpaid balance of the unpaid wages as well as liquidated damages in an amount equal to the wages due and interest thereon.

Overtime Wage Violations

Defendants were required to properly pay Ms. Sanchez and other aggrieved employees for all overtime hours worked pursuant to California Labor Code § 1194 and Wage Order 5. Wage Order 5, § 3 requires an employer to pay an employee "one and one-half (1½) times the employee's regular rate of pay" for work in excess of 8 hours per work day and/or in excess of 40 hours of work in the workweek. Defendants caused Ms. Sanchez and other aggrieved employees to work overtime hours but did not compensate Ms. Sanchez or other aggrieved employees at one and one-half times their regular rate of pay for all such hours.

Failure to Reimburse Necessary Business Expenses

Defendants failed to reimburse Ms. Sanchez and other aggrieved employees for their purchase of tools necessary to complete their job duties, including levelers, among other items. Defendants' policy of not providing reimbursement for necessary work-related expenses violates Wage Order 5, § 9, and Labor Code §§ 2802 and 2804 ("An employer shall indemnify her or her employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer.") Ms. Sanchez and other aggrieved employees are therefore entitled to reimbursement of such unpaid work expenses with interest.

Meal Period Violations

As alleged above, Defendants failed to provide Ms. Sanchez and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 5, § 11. As a result, Ms. Sanchez and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with … [an] order of the Industrial Welfare Commission … the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.").

Rest Period Violations

As described above, Defendants also failed to authorize and permit Ms. Sanchez and similarly aggrieved employees to take all required and compliant rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 5, § 12. As a result, Ms. Sanchez and similarly aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that all rest periods were not authorized and permitted. See Labor Code § 226.7.

Sick Time Pay Violations

Defendants were required to properly pay Ms. Sanchez and other aggrieved employees for all vested sick time at their regular rate of compensation pursuant to Labor Code § 246. Defendants compensated Ms. Sanchez other aggrieved employees at their base rate of pay but did not compensate Ms. Sanchez or other aggrieved employees at their regular rate of pay for all such hours.

Wage Statement Violations

Defendants knowingly and intentionally, as a matter of uniform policy and practice, failed to furnish Ms. Sanchez and other aggrieved employees with complete and accurate wage statements with respect to gross wages earned, total hours worked, net wages earned, all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee, in violation of Labor Code § 226 *et seq*. Defendants' failures in furnishing Ms. Sanchez and other aggrieved employees with complete and accurate itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all overtime and minimum wages as well as meal and rest period premium wages and deprived them of the information necessary to identify the discrepancies in Defendants' reported data and whether they have been paid all wages earned.

As an "aggrieved employee," Ms. Sanchez will initiate a civil action on behalf of herself and other aggrieved employees to recover damages, statutory penalties, and civil penalties (including an amount equal to the unpaid wages) resulting from the wage and hour violations alleged herein. Based on Ms. Sanchez's own investigation, and on information and belief, Defendants committed and continue to commit the following Labor Code violations:

a. Defendants violated Labor Code §§ 1182.12, 1194, 1194.2, and 1197 by failing to pay Ms. Sanchez and other aggrieved employees the statutory minimum wage for all hours worked;

b. Defendants violated Labor Code §§ 204, 510, 558, 1194 and 1198 by failing to pay Ms. Sanchez and other aggrieved employees all overtime compensation earned;

c. Defendants violated Labor Code §§ 2802 and 2804 by failing to reimburse Ms. Sanchez and other aggrieved employees for all work-related expenses incurred;

d. Defendants violated Labor Code §§ 226.7, 512, and 558 by failing to provide all meal periods as required by law and failing to pay meal period premiums to Ms. Sanchez and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;

e. Defendants violated Labor Code §§ 226.7, 516, and 558 by failing to authorize and permit Ms. Sanchez and other similarly aggrieved employees to take all of their statutorily mandated, duty-free rest periods and failing to pay rest period premiums to Ms. Sanchez and other aggrieved employees at these employees' respective regular rates of pay for rest period violations;

f. Defendants violated Labor Code § 246 by failing to pay Ms. Sanchez and other aggrieved employees sick time pay at their regular rate of compensation;

g. Defendants violated Labor Code § 226 by failing to furnish Ms. Sanchez and other aggrieved employees with accurate and compliant itemized wage statements;

h. Defendants violated Labor Code § 204 by failing to pay Ms. Sanchez and other aggrieved employees all wages earned at least twice during each calendar month; and

i. Defendants violated Labor Code §§ 558 and 1174 by failing to maintain accurate records on behalf of Ms. Sanchez and aggrieved employees.

Pursuant to Labor Code § 2699.3, please notify us and Defendants if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC

Fletcher W. Schmidt

cc: B & J, LLC c/o Dana McClure, agent for service of process, 1631 Market St. Ste. B Corona, CA 92880 (via certified mail)

UNITED STATES POSTAL SERVICE®

PROOF OF ACCEPTANCE (ELECTRONIC)

PRODUCED DATE: 02/03/2024

HAINES LAW GROUP:

The following is information for Certified Mail™/RRE item number:

9214 8901 9403 8347 3789 94

Our records indicate that this item was accepted by the USPS at:

ORIGIN ACCEPTANCE EL SEGUNDO,CA 90245 02/02/2024 20:03

ORIGINAL INTENDED RECIPIENT:

B & J LLC
C/O: DANA MCCLURE AGENT FOR SERVICE OF PROCESS
1631 MARKET ST STE B
CORONA CA 92878-3209

JR

The above information represents information provided by the United States Postal Service.

UNITED STATES POSTAL SERVICE

Mailer: Haines Law Group

Date Produced: 02/06/2024

ConnectSuite Inc.:

The following is the delivery information for Certified Mail™/RRE item number 9214 8901 9403 8347 3789 94. Our records indicate that this item was delivered on 02/05/2024 at 01:35 p.m. in CORONA, CA 92878. The scanned image of the recipient information is provided below.

Signature of Recipient :

Address of Recipient : 1631 MARKET ST STE B, CORONA, CA 92878

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

This USPS proof of delivery is linked to the customers mail piece information on file as shown below:

B & J LLC
C/O: DANA MCCLURE AGENT FOR SERVICE OF PROCESS
STE B
1631 MARKET ST
CORONA CA 92878-3209

Customer Reference Number: C4776079.28658085

Return Reference Number JR

UNITED STATES
POSTAL SERVICE ®

PROOF OF ACCEPTANCE (ELECTRONIC)

PRODUCED DATE: 04/12/2025

HAINES LAW GROUP:

The following is information for Certified Mail™/RRE item number:

9214 8901 9403 8309 6021 12

Our records indicate that this item was accepted by the USPS at:

SHIPMENT RECEIVED ACCEPTANCE PENDING EL SEGUNDO,CA 90245 04/11/2025 16:39

ORIGINAL INTENDED RECIPIENT:

B & J LLC
FISHER & PHILLIPS LLP
C/O: NICOLE GOLOB ESQ
21600 OXNARD ST STE 650
WOODLAND HLS CA 91367-5069

JR - Sanchez, Guadalupe

The above information represents information provided by the United States Postal Service.

UNITED STATES POSTAL SERVICE ®

PROOF OF ACCEPTANCE (ELECTRONIC)

PRODUCED DATE: 04/12/2025

HAINES LAW GROUP:

The following is information for Certified Mail™/RRE item number:

9214 8901 9403 8309 6021 43

Our records indicate that this item was accepted by the USPS at:

SHIPMENT RECEIVED ACCEPTANCE PENDING EL SEGUNDO,CA 90245 04/11/2025 16:39

ORIGINAL INTENDED RECIPIENT:

STAR GOALS LLC
C/O: DANA MCCLURE AGENT FOR SERVICE OF PROCESS
1631 MARKET ST STE B
CORONA CA 92878-3209

JR - Sanchez, Guadalupe

The above information represents information provided by the United States Postal Service.

UNITED STATES POSTAL SERVICE ®

PROOF OF ACCEPTANCE (ELECTRONIC)

PRODUCED DATE: 04/12/2025

HAINES LAW GROUP:

The following is information for Certified Mail™/RRE item number:

9214 8901 9403 8309 6021 36

Our records indicate that this item was accepted by the USPS at:

SHIPMENT RECEIVED ACCEPTANCE PENDING EL SEGUNDO,CA 90245 04/11/2025 16:39

ORIGINAL INTENDED RECIPIENT:

BERNARD KARCHER INVESTMENTS INC
C/O: DANA MCCLURE AGENT FOR SERVICE OF PROCESS
1631 MARKET ST STE B
CORONA CA 92878-3209

JR - Sanchez, Guadalupe

The above information represents information provided by the United States Postal Service.

UNITED STATES POSTAL SERVICE

Mailer: Haines Law Group

Date Produced: 04/15/2025

ConnectSuite Inc.:

The following is the delivery information for Certified Mail™/RRE item number 9214 8901 9403 8309 6021 43. Our records indicate that this item was delivered on 04/14/2025 at 01:51 p.m. in CORONA, CA 92878. The scanned image of the recipient information is provided below.

Signature of Recipient :

Address of Recipient : 1631 Market

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

This USPS proof of delivery is linked to the customers mail piece information on file
as shown below:

STAR GOALS LLC
C/O: DANA MCCLURE AGENT FOR SERVICE OF PROCESS
1631 MARKET ST
STE B
CORONA CA 92878-3209

Customer Reference Number: C5813263.35242167

Return Reference Number JR - Sanchez, Guadalupe

UNITED STATES POSTAL SERVICE

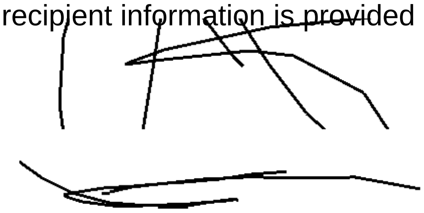
Mailer: Haines Law Group

Date Produced: 04/16/2025

ConnectSuite Inc.:

The following is the delivery information for Certified Mail™/RRE item number 9214 8901 9403 8309 6021 36. Our records indicate that this item was delivered on 04/15/2025 at 11:49 a.m. in CORONA, CA 92878. The scanned image of the recipient information is provided below.

Signature of Recipient :



Address of Recipient : 1631 MARKET ST STE B, CORONA, CA 92878

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

This USPS proof of delivery is linked to the customers mail piece information on file as shown below:

BERNARD KARCHER INVESTMENTS INC
C/O: DANA MCCLURE AGENT FOR SERVICE OF PROCESS
1631 MARKET ST
STE B
CORONA CA 92878-3209

Customer Reference Number: C5813263.35242166

Return Reference Number JR - Sanchez, Guadalupe

UNITED STATES
POSTAL SERVICE

Mailer: Haines Law Group

Date Produced: 04/18/2025

ConnectSuite Inc.:

The following is the delivery information for Certified Mail™/RRE item number 9214 8901 9403 8309 6021 12. Our records indicate that this item was delivered on 04/17/2025 at 10:49 a.m. in WOODLAND HILLS, CA 91367. The scanned image of the recipient information is provided below.

Signature of Recipient :

Address of Recipient : 21600 OXNARD #65

Thank you for selecting the Postal Service for your mailing needs. If you require additional assistance, please contact your local post office or Postal Service representative.

Sincerely,
United States Postal Service

The customer reference number shown below is not validated or endorsed by the United States Postal Service. It is solely for customer use.

This USPS proof of delivery is linked to the customers mail piece information on file
as shown below:

B & J LLC
FISHER & PHILLIPS LLP
C/O: NICOLE GOLOB ESQ
21600 OXNARD ST
STE 650
WOODLAND HLS CA 91367-5069

Customer Reference Number: C5813263.35242165

Return Reference Number JR - Sanchez, Guadalupe

EXHIBIT D

EXHIBIT E

FISHER & PHILLIPS LLP
Nicole Golob (SBN 190444)
ngolob@fisherphillips.com
Harrison Thorne (SBN 313295)
hthorne@fisherphillips.com
444 South Flower Street, Suite 1500
Los Angeles, California 90071
Tel: (213) 330-4500
Fax: (213) 330-4501
Attorneys for Defendant

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

GUADALUPE SANCHEZ, as an individual and on behalf of all others similarly situated,

Plaintiff,

vs.

B & J, LLC, a California limited liability company; and DOES 1 through 100, inclusive,

Defendants.

Case No. CVRI2400579

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

DECLARATION OF HARRISON THORNE IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL

Date: **May 28, 2025**
Time: **8:30 a.m.**
JUDGE: **Hon. Harold W. Hopp**
DEPT.: **1**

Complaint Filed: February 2, 2024
Trial Date: None Set

DECLARATION OF HARRISON M. THORNE

I, Harrison M. Thorne, hereby declare:

1. I am an attorney at law duly licensed to practice before all courts in the State of California. I am Of Counsel with Fisher & Phillips LLP, counsel of record for Defendant B&J, LLC ("B&J"). I am one of the attorneys primarily responsible for the handling of the above-captioned matter on behalf of Defendant. I assert the facts set forth herein based on personal knowledge and, if called as a witness, I could and would competently testify thereto.

2. I am submitting this Declaration in support of the Motion for Preliminary Approval of the Parties' Joint Stipulation and Settlement Agreement ("Settlement Agreement") and specifically in connection with this Court's Class Action Case Management Order ("CMO").

3. The Settlement Agreement in connection with the Motion for Preliminary Approval in this matter is made by and between Plaintiff Guadalupe Sanchez ("Plaintiff"), individually and on behalf of the Class, on the one hand, and Defendant, on the other hand, in the above-entitled action.

4. Other than the instant action, subject to the pending Motion for Preliminary Approval, I am not aware of any other class, representative, or collective action in any other court in this or any other jurisdiction that asserts claims similar to those asserted in this action on behalf of a class or group of individuals, some or all of whom would also be members of the class defined in this action. As part of my research, I inquired of Defendant's principals. I also conducted an online search of court records for all county Superior Courts and federal District Courts in the State of California.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed on May 2, 2025, at Los Angeles, California.

Harrison M. Thorne

EXHIBIT F

FISHER & PHILLIPS LLP
Nicole Golob (SBN 190444)
ngolob@fisherphillips.com
Harrison Thorne (SBN 313295)
hthorne@fisherphillips.com
444 South Flower Street, Suite 1500
Los Angeles, California 90071
Tel: (213) 330-4500
Fax: (213) 330-4501
Attorneys for Defendant

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

GUADALUPE SANCHEZ, as an individual and on behalf of all others similarly situated,

Plaintiff,

vs.

B & J, LLC, a California limited liability company; and DOES 1 through 100, inclusive,

Defendants.

Case No. CVRI2400579

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

DECLARATION OF DANA MCCLURE ON BEHALF OF B&J, LLC IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL

Date: **May 28, 2025**
Time: **8:30 a.m.**
JUDGE: **Hon. Harold W. Hopp**
DEPT.: **1**

Complaint Filed: February 2, 2024
Trial Date: None Set

DECLARATION OF DANA MCCLURE

I, Dana McClure, declare as follows:

1. I am the President of B&J, LLC ("B&J"), the defendant in this action. I am over the age of eighteen. I assert the facts set forth herein based on personal knowledge and, if called as a witness, I could and would competently testify thereto.

2. I have been in my position with B&J since July 1991. As President of B&J, I handle or have oversight into employee relations and recruitment.

3. B&J, as well as Bernard Karcher Investments, Inc. ("BKI") and Star Goals, LLC ("Star Goals") – the other entities that Plaintiff is adding to the action – are Carl's Jr. franchises.

4. On information and belief, the average age of the hourly, nonexempt employees of B&J is approximately 34 years old. The average age of the hourly, nonexempt employees of BKI is approximately 39 years old. The average age of the hourly, nonexempt employees of Star Goals is approximately 33 years old.

5. On information and belief, approximately 75% of the hourly, nonexempt employees at B&J have an education level of a high school diploma or greater. Approximately 75% of the hourly, nonexempt employees at BKI have an education level of a high school diploma or greater. Approximately 80% of the hourly, nonexempt employees at Star Goals have an education level of a high school diploma or greater.

6. The average experience of the hourly, non-exempt employees at B&J is approximately 6 years. The average experience of the hourly, non-exempt employees at BKI is approximately 9 years. The average experience of the hourly, non-exempt employees at Star Goals is approximately 7 years.

7. On information and belief, approximately 70 % of B&J employees can read and comprehend English. Approximately 70 % of BKI employees can read and comprehend English. Approximately 80 % of Star Goals employees can read and comprehend English.

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I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed on May 2, 2025, at Los Angeles, California.

Dana McClure (May 2, 2025 12:20 PDT)

Dana McClure